Evaluation of the Labour-Management Partnerships Program (LMPP)

Final Report

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Executive Summary

I. Introduction

This report summarises evidence gathered during an evaluation of the Labour-Management Partnerships Program (LMPP) conducted in 1997. The evaluation examined three core groups of evaluation issues: program rationale, delivery and effects. To address these issues, the evaluation made use of two main lines of evidence, in addition to a literature and documentation review, as follows:

- Interviews with 11 key informants with varying degrees of association with the LMPP, including those directly involved in the program, those who have been involved in the review process, academics with professional interest in labour-management relations and national representatives of labour and business.

- Mini case studies of 18 LMPP projects. The distribution of case studies, selected from among completed projects, was: three involving research; three conferences; six involving workplace change in a single workplace; and six in multiple workplaces. The case study methodology included document reviews, interviews by telephone and in person, and site visits and discussion groups.

II. Findings: Rationale Issues

The majority of respondents believed the government was justified in encouraging partnership between labour and management. Just as the literature review indicated, respondents noted that, despite evidence that firms involved in worker participation tended to perform better, a majority has still not adopted a "co-operative workplace" model. In light of this apparent "market failure", there was an expressed need for a third party like government to broker with labour and management to experiment with new ways of doing things together. There was also moderate support for a federal presence for reasons of equity, efficiency and international competitiveness.

With respect to the types of projects funded, opinion was mixed: some felt that research was more cost-effective and reached more people, while others held that workplace changes provided practical examples that other workplaces can readily relate to and emulate. Evidence indicated that funding was mainly complementary with other Human Resources Development Canada (HRDC) programs and services and that few programs exist at the provincial level that overlap with the federal LMPP.

III. Findings: Delivery Issues

An important delivery issue concerned the appropriateness of the assessment or selection criteria used by LMPP officers to judge candidate projects. Most of those consulted for this evaluation thought the criteria overall were important, especially the dissemination of information, incrementality, the joint labour-management partnership, and the 50/50 cost sharing of the costs by labour and management.

For one criterion, however, some concerns were raised. The requirement for innovativeness might seem appropriate in theory but may be problematic to enforce because it is difficult to come up with something entirely new in the industrial relations field.

To what extent were these selection criteria met? First, it was generally agreed that, although most projects were not strictly *innovative* in the sense of making a unique contribution to the overall body of knowledge on labour-management relations, all were likely unique to the particular sector in question. Second, there were some questions raised with regard to the *partnership* criterion and the motives of sponsors. There was speculation that labour was often involved just to obtain LMPP funding and not for the sake of forming true partnership. Third, the *cost sharing* criterion served to redress resource imbalances between labour and management, with the latter tending to contribute more financially while the former tended to make up their share using in-kind contributions.

Two separate *funding* issues were raised regarding program delivery. First, most thought that the overall level of funding for the program was insufficient to effect change in the economy. On the other hand, annual program budgets were rarely used up, possibly indicative of excess funds and deficient demand. Second, the smaller projects, which perhaps were in the most need of change and assistance, were the least likely to obtain funding from the LMPP because they posed the greatest risk of failure, even though the amount risked in these projects was smaller than that contributed in larger projects.

Concerning *administrative processes*, evidence gathered from the participants in earlier projects uncovered some dissatisfaction with the length of time it had taken to get applications for LMPP funding approved. However, program officers have since reacted positively to these complaints by streamlining the review process and shortening delays down to two months. As for reporting requirements, most respondents felt that they were somewhat, but not overly, bureaucratic and demanding; most agreed, however, that they were necessary in order to maintain checks and balances.

IV. Findings: Project Level Impacts

All project participants and program staff consulted for this evaluation indicated that outputs were generated by projects as set out in the respective LMPP contribution agreement. In all cases, the immediate, first-order, intended outcomes (e.g., the

implementation of International Standards Organisation (ISO) certification, the development of a work-reorganisation training framework, the carrying out of research) were achieved and disseminated. In many cases, workplace innovations led to other tangible impacts, such as productivity increases, better and cheaper service delivery, higher morale, and lower scrap rates. Second-order impacts were also realised, as greater labour-management co-operation within the workplace, in the form of information sharing and joint committees. Such impacts were an important outcome of many projects, at least for the project's duration, and, in some cases, beyond its life.

Our research identified a number of factors, both inherent and external to individual projects, that can contribute to or inhibit the success of the projects or be indicators of success. It is suggested that both potential project partners and LMPP staff should take these factors into consideration when considering potential projects and evaluating completed ones.

With respect to *inherent* outcome factors, the following were identified as either affecting the final outcome or inhibiting its measurement:

- **Genuine partnership** between labour and management: The more successful projects are the ones where both parties are actively involved in the activities throughout a project's life; having some prior history together also helps.

- **Other innovations** to complement the main innovation being funded: As past research has shown, successful organisational changes are the ones introduced in complementary groups, not individually.

- **Quality:** Recognition was wider when the product was of high quality, particularly with respect to research projects, conferences and video productions.

- **Self-selection:** Tied in with the notion of incrementality, the fact that project partners already have an interest in improving relations between labour and management predisposes them to reaching a successful conclusion, which makes attribution to LMPP's contribution difficult.

- **Relative size of contribution:** As the LMPP contribution often represents a small proportion of total project funding, it is difficult to measure the specific role of the LMPP in the project's impact.

- **Windfall gains:** Most respondents believed that the incrementality criterion was being only partially met in projects, i.e., that windfall gains were occurring, in that projects would have proceeded without LMPP funding although in altered form (say with less labour involvement); moreover, the original LMPP contribution served as seed funding to leverage money from other partners.

A separate set of factors *external* to the immediate project can also condition a project's impacts. First, there is *instability in leadership*. Projects were more likely to succeed and the innovation to be sustained if the original sponsors and participants maintained their presence throughout the duration of the project and beyond its completion; however, it is a fact of life that management and union leaders change frequently. Second, there is the *primacy of collective bargaining* as LMPP activities often must be set aside during contract negotiations, thus possibly affecting the momentum of the projects. The third external factor affecting outcomes is the *vagaries of industrial relations and business conditions.* Underlying relations between labour and management could turn sour for external economic reasons unrelated to the project, which could colour participants' interpretations of its value. Fourth is *faddism*: management is often quick to drop an innovation when something new comes along, which demonstrates the difficulty in ensuring true commitment.

V. Factors Affecting Program Level Impacts: Strengths and Weaknesses

Respondents generally concluded that it would be difficult to assess program level (third-order) effects — enhanced relations between labour and management more generally. The main reason is that the program's impact can really be felt only over the long term and cumulatively over several projects. Moreover, evaluation respondents noted a number of potential program level shortcomings, which could limit the appeal and ultimate success of the program. First, a number of participants thought that the *level of program funding* was too low to effect real change in the overall industrial relations climate of the country. Second, many respondents thought there was *inadequate outcome measurement*: they found it unacceptable that corroboration of outcome attainment and dissemination was based mainly on the word of the project partners. Third, many identified the program's *low profile*: annual program budgets were rarely all expended, implying insufficient marketing.

Respondents also identified a number of program strengths, which have increased its appeal and should lead to positive outcomes down the road. First, there was the *variety of projects*, which has likely expanded the program's appeal, although it may also contribute to a lack of understanding of the program and an ostensible lack of focus. A second strength of the program was its *adaptability*, as demonstrated by the streamlining of its assessment process in response to concerns expressed over the length of the review and approval process, which has also expanded the program's appeal. Third, several thought that the program's *third-party neutrality* helped to defuse adversarial relationships and to encourage parties to persevere to a successful solution. This could also be said for the partnership and cost sharing criteria, which give parties a stake in the project and thus a reason for "sticking it out".

Two other strengths were identified. One was the *participation of labour.* Labour would not have been given a voice in the organisational change in some cases without the LMPP's insistence on partnership, which implies some incrementality. The other

strength was the *synergy* that exists between the LMPP and the rest of the Mediation Services section of HRDC, which has resulted in uncovering potential cases, identifying potential weaknesses in projects, and providing expertise and advice.

VI. Suggestions for the Future

These observations led to a number of suggestions as to the future for the LMPP. These are as follows:

- Consider a market study, including a survey, to gauge demand for and awareness of the LMPP.

- Consider a market-test funding strategy whereby funds would be raised from a number of project partners (thus demonstrating substantive interest in the initiative) *before* the LMPP would contribute any funds.

- Draw up a list of standardised outcome indicators, specific to the type of project, that the sponsors of all projects should apply to their projects to quantitatively measure outcomes. Some of the instruments developed in individual projects could serve as models. The results would be used both by LMPP officers to market the program and by project sponsors to disseminate project outcomes as required by the contribution agreement.

- Consider other marketing strategies such as more aggressively using the Internet, their own field officers, and job fairs to publicise the program.

- Stay with its decision to place greater emphasis on workplace change projects than it has done in the past, thereby equalising the distribution between these types of projects and research and conference projects. The reason is that, whereas the latter are cheaper and tend to reach a wider audience, workplace change projects provide practical demonstrations that other workplaces and sectors can readily learn from and emulate.

- Give greater consideration to funding on the basis of need, i.e., to funding projects involving smaller firms, or to encouraging smaller firms to form consortia to take advantage of economies of scale. Smaller firms are most in need of expertise and assistance, although they are also the most risky investments, while larger firms are more likely to be able to afford the innovation.

- Consider limiting funding per project to $50,000 based on assumed consultants' time and thereby spreading funding over a larger number of smaller projects as opposed to a few large ones. This would widen the program's appeal, although at the possible risk of diluting its focus and increasing the chances of funding failures.

- Ensure that there will be genuine partnership between labour and management throughout the project and continue to allow labour to contribute in-kind.

- Consider projects that have national or regional significance, even before ensuring they fall under federal jurisdiction.

Management Response

I have reviewed with interest the evaluation report and recommendations regarding the current activities and future direction of the Labour-Management Partnerships Program (LMPP). As you know, this most recent evaluation is most timely and will undoubtedly play a critical role in providing guidance to the LMPP in its own current review exercise. At this point, I would like to extend my appreciation to your staff and to the research team who have contributed to such a high quality and thorough evaluation exercise.

I noted with interest that the parties recognised the important and valuable contribution of the LMPP in promoting and establishing labour-management co-operative workplace models and in facilitating improved labour-management collaboration. The report's positive assessment of the impact of LMPP-funded projects in the workplace is also worth quoting: *"...workplace innovations led to other tangible impacts, such as productivity increases, better...service delivery, higher morale..."*. The report adds: *"Second-order impacts were also realised...(respondents reported) greater labour-management co-operation...(better) information sharing and joint committees"*.

Recommendations resulting from the evaluation have either confirmed some of the changes recently initiated by the LMPP or have been identified as priorities for the next year. More specifically, the program will be reviewing its internal control and monitoring systems to further accelerate the review of project proposals and to enable a broader dissemination of project results. The LMPP has also increased its communication and promotion activities, reviewed its promotional literature and established an internet website providing information and online application capability. It is also actively pursuing strategic alliances with other HRDC programs, regional offices and its provincial partners. The program has identified as a top priority the need to develop objective criteria for assessing project outcomes and impacts and will be seeking expertise in this field early in the new fiscal year. Finally, in an effort to better meet the needs of the parties, the recent integration of the LMPP with the FMCS Preventive Mediation Service is already serving the program well in providing the parties with the expertise and experience necessary to assess their needs and to develop more comprehensive strategies to improve their relationships and consequently, their chances of success.

As I mentioned earlier, I initiated last year a broad review of the LMPP in an effort to revitalise the program. As part of this process, LMPP officers are reviewing and addressing each recommendation in the evaluation report and are expected to integrate the results in their strategic plan for the next year.

Warren Edmondson
Assistant Deputy Minister
Labour

1.0 Introduction

An evaluation study of the Labour-Management Partnerships Program (LMPP) was conducted on behalf of Human Resources Development Canada (HRDC). The LMPP represents an attempt by the federal government to overcome obstacles faced by the Canadian industrial relations system in introducing and diffusing innovations based on joint action. These obstacles include a tradition of adversarialism and a wide management prerogative embedded in law and practice. There are also more traditional obstacles involving information problems relating to what works and how it can best be implemented and potential "externality" problems relating to investments in "intangible assets" that are not always recouped by management and/or labour.

These obstacles — and the attendant sub-optimal diffusion of innovation — constitute a strong rationale for selective government intervention. The political philosophy in this country, however, clearly constrains direct public intervention in the workplace. Nevertheless, governments can help provide a supportive environment for innovation by acting to generate and diffuse relevant information and by playing a strategic role in brokering with the parties to consider and experiment with new ways of doing things. It is these information and brokering roles that motivate the LMPP.

The LMPP is funded under the Federal Mediation and Conciliation Services (FMCS) of the Labour Program at HRDC. The LMPP supports joint labour-management initiatives designed to create more co-operative and productive workplaces. It funds projects that demonstrate how labour and management can innovatively co-operate, at the workplace or industry level, in addressing pressing workplace issues. Issues include changes in work processes, the implementation of flexible work practices, the introduction of employee participation practices, and the adoption of new technologies. LMPP also funds projects such as research studies, conferences, seminars and video productions where the immediate goal is the production and dissemination of knowledge regarding workplace issues of joint concern to labour and management.

The LMPP evaluation study is described in the rest of this document. In Chapter 2.0, recent literature is reviewed as context on labour-management co-operation in the workplace, and a description of the LMPP is provided, including a profile of projects funded to date. The evaluation issues and methodological approach to the study are outlined in Chapter 3.0. Study instruments are appended. Chapter 4.0 presents the integrated evaluation findings, organised by evaluation issue. Finally, Chapter 5.0 presents the study conclusions, including a summary of the success factors and barriers in the project, the strengths and weaknesses of the LMPP, and suggestions for the future.

2.0 Context and Program Description

2.1 Background and Context

Growing competitiveness in the global marketplace, coupled with rapid technological change, has posed serious challenges to the organisation of work in Canadian firms, particularly with regard to how labour and management work together. Following World War II, the mass production system predominated in western industrialised economies (Betcherman and Chaykowski 1996). Primary characteristics of the human resource approach in workplaces under this system included well-defined jobs and tasks, "internal labour markets" in which employees advanced through the ranks, a "top-down" management style, and a healthy adversarial relationship between management and labour. From the 1950s to the 1970s, with these workplace characteristics in place, firms realised productivity gains while employees realised wage gains. However, the period since the early 1980s has witnessed the stagnation of both wages and productivity and the gradual replacement of the mass production system by more flexible, single-batch approaches to goods and service production.

These changes, brought on by changes in the competitive environment and technological advancement, have led to massive economic restructuring. This restructuring has called into question the traditional way of organising work and human resources. The response of the majority of Canadian firms to these pressures, however, has been to continue with the traditional human resources approach. Still, some firms have reacted to the challenge by introducing innovations in the management and organisation of their human resources. Major components of this strategy involve empowering workers and promoting high-trust relations between employees and employers, including joint problem solving (HRDC 1994). Indeed, "jointness" has been shown to contribute to positive outcomes for both firms and their workers. The fact that such innovation has been slow to diffuse in Canada provides a rationale for the federal government, through the LMPP, to broadly disseminate information about the benefits of workplace change and broker greater co-operation between labour and management.

2.2 Innovative Workplaces and the Evolution of Labour-Management Bargaining

According to Verma and Weiler (1994), the most effective way of creating high quality, innovative and flexible workplaces is to involve workers in the decision-making process. An important means of achieving this is through joint labour-management committees. The concept of joint labour-management committees is not new. In Germany, for example, the first labour-management works councils were officially recognised in 1920 and were consolidated after the Second World War (Rehfeldt 1996). Likewise in France, joint works councils were established after the Second World War and today the *comités*

d'entreprise provide a local joint structure where labour and management can discuss issues such as continuing education and technological change (Jobert 1996).

The Canadian experience with joint labour-management committees is relatively recent, with the diffusion of innovative workplace practices occurring relatively slowly throughout the 1980s, particularly when it involved employee participation. One reason for the slow diffusion of innovative workplace practices is management's reticence to share decision-making power with workers. Unions, too, tend to oppose innovations that would involve worker participation, contingent compensation and work reorganisation, as such changes are seen as attempts by management to undermine and destabilise the representation of unions (Verma and Weiler 1994). But, increasingly, management is seeing the role of unions and the collective bargaining process in workplace change as paramount to positive outcomes for the firm. At the same time, unions are realising that changes to the workplace would likely occur even without their co-operation, and that co-operating with management could yield positive outcomes for workers (Betcherman *et al.* 1994).

This evolution in the relationship between labour and management throughout the 1980s and early 1990s in response to external changes may be traced to the transformation of collective bargaining, from traditional bargaining, to concessions bargaining, to strategic and relationship bargaining, and ultimately to strategic alliances (Verma and Weiler 1994). Chaykowski and Verma (1992) point out that different sectors are at different points in that evolution depending on the pressures for change in the respective sectors. Each of these types of bargaining, or stages, may be described as follows:

- **Traditional bargaining.** The focus here is almost exclusively on improving wages and benefits and ensuring that workers are treated fairly. Improvements to the job, in terms of making it more interesting or productive, are seldom a concern of the union. The principal feature of this system is that managerial and worker roles are clearly defined with no overlap.

- **Concessions bargaining.** This type of bargaining usually occurs during economic downturns. Management approaches the union asking for concessions (e.g., rollbacks in wages, benefits), arguing that they are necessary for the company to remain competitive and save jobs. In essence, this means rolling back gains that have been made through past contracts. The assumption being made by at least one party, if not both parties, is that the downturn will soon be followed by an upturn. Consequently, apart from the concessions, there are few other changes made.

- **Strategic bargaining.** This type of bargaining involves trade-offs. For example, employees may be offered employment guarantees and future investments in exchange for agreeing to contingent compensation and employee involvement. The key here is that the survival and growth of the firm are considered on par with employee benefits. Consequently, not only are wages, benefits and working conditions covered, but issues of strategic importance to the organisation are also addressed.

- **Relationship bargaining.** This type of bargaining involves an emphasis on the relationship between labour and management, joint decision-making on a range of negotiated items, and an approach based on principles and a strategic vision (Wright 1995). Problems are solved and items negotiated with a view to benefiting both sides and eliminating the traditional adversarial approach to negotiations. Variations of this approach are mutual-gains and interest-based bargaining.

- **Strategic alliances.** Strategic alliances, also known as joint governance, move beyond bargaining to administrative procedures. If bargaining around employee involvement, training and flexible work organisation is to be undertaken, then new administrative procedures need to be developed to safeguard the interests of both managers and employees. Types of joint processes include self-directed teams, problem-solving groups, and joint bargaining and operations committees (Wright 1995). Strategic alliances between labour and management allow workplace changes to be implemented jointly and flexibly by both managers and workers without the need to establish predetermined responses should workplace exigencies arise. A key here is for management "to recognise unions' legitimate role as advocates for employees concerned about the potentially negative effects of restructuring" (Chaykowski and Verma 1992).

By 1991, many of the larger unionised Canadian firms had some form of labour-management committee provided for in the collective agreement. Exhibit 2.1, based on Labour Canada data reproduced from Chaykowski and Verma (1992), indicates the existence of labour-management committees, *per se*, in approximately half (47 percent) of larger unionised Canadian firms with more than 500 workers (200 for those in the federal jurisdiction). As for *issue-specific* labour-management committees (e.g., for technological change), incidence was much lower, apart from in-job evaluation, which arguably does not involve "surrendering" much decision-making power to labour. Of interest are the differences between the public and private sectors. While the private sector was more likely to have joint committees focusing on health and safety issues, the public sector was almost twice as likely to have a labour-management committee. Although these statistics reflect the reality of only larger (unionised) organisations, they indicate a significant use of worker involvement mechanisms that were not part of traditional collective bargaining.

Exhibit 2.1
Percentage Incidence of Labour-Management Committees in Collective Agreement Provisions Covering Larger Bargaining Units, 1991

	Private (n=603)	Public (n=637)	Total (n=1240)
Labour-management committees (general)	33	60	47
Joint committee — technological change	17	20	19
Joint committee powers in health and safety	33	19	26
Quality of working life	13	14	13
Joint role in job evaluation	45	44	44

Source: Chaykowski and Verma (1992)

Establishment of Labour-Management Co-operative Mechanisms

Labour-management co-operative mechanisms have been established at the national, industry and firm levels. Throughout the 1980s, a number of public and private joint initiatives at the national level were initiated (Chaykowski and Verma 1992). The purpose of these initiatives was to assist labour and management to arrive at a broad mutual understanding. One example is when, in 1987, the Niagara Institute brought together individuals from both labour and management and developed a code of conduct for labour-management relations (*The Search for a Better Way*). Also, in 1988, the Canadian Chamber of Commerce indicated in its report (*Focus 2000*) their intention to work towards a stronger relationship with labour. In the same year, the federal government established the Advisory Council on Adjustment whose mandate was to develop ways for Canadians to adjust and benefit from the Canada-U.S. Free Trade Agreement. One outcome of the recommendations in the report *Adjusting to Win* was the establishment of the Canadian Labour Force Development Board (CLFDB) in 1991. The CLFDB, managed by representatives from the education and training community and equity groups, as well as from labour and management, has as its purpose to develop a highly skilled workforce that will contribute to overall economic and social well-being in a co-operative setting (*CLFDB Annual Report 1995-96*).

Industry level joint committees have a longer history than national level joint committees in this country. For example, the Canadian Textile Labour Management Committee was established in 1967 and has continued to play an active role in regards to trade policies. While industry level joint committees were not new in the 1980s, their potential as a venue for focusing on the mutual interests of labour and management resulted in increased attention being paid to these types of committees. In 1985, the United Steelworkers of America (USWA) and the major steel companies joined together to form the Canadian Steel Trade and Employment Congress (CSTEC). Two years later, the then Employment and Immigration Canada's Industrial Adjustment Service (IAS) provided CSTEC funding for programs aimed at assisting steel workers adjust to lay-offs. In 1988, IAS undertook similar agreements with the automotive aftermarket and the electrical and electronics sector, which evolved into permanent human resources

councils: the Canadian Automotive Repair and Service Council (CARS) and the Sectoral Skills Council (SSC). The focus of these and all subsequently established human resources councils, to whose activities HRDC contributes, is to develop and implement a strategy, with the involvement of workers and management, for the improvement of skills for the sector.

Labour-management co-operative mechanisms have also been established at the organisation level. A noteworthy example is that of Algoma Steel Inc., which in 1992 negotiated with the USWA a *Joint Workplace Restructuring and Employee Participation Process* to address major labour and financial problems (Ekos 1997). This innovation involved a reduction in the number of supervisors relative to hourly employees and a redefinition of their role to emphasise coaching and co-ordination as well as a flattening of the organisational structure. It resulted in the elimination of unnecessary layers of management and administration and a reduction in overhead costs. Another example of firm level "jointness" mechanisms is that found in Steffco, a Stelco subsidiary, where a joint labour-management committee was formed in 1990 to examine all plans to subcontract work and to consider possible alternatives (Verma and Warrian 1992).

Labour-management co-operative mechanisms are not found just in larger organisations. Two small Newfoundland and Labrador Hydro plants, for example, implemented joint committees to smooth out differences between management and employees on issues such as health and safety, work and maintenance practices, technological change and temporary appointments (Ekos 1997). The Great Western Brewing Co. is another example of a smaller organisation that has benefited from labour-management co-operation. In 1989, the brewery was slated for closure as the result of its incompatibility with the global business plans of its owner and a perceived "flat and shrinking" Saskatchewan beer market. In response to this closure, 15 employees invested in the brewery and became its new owners, the purpose being to maintain operation of the plant and provide stable jobs for the workers. Typically, in an employee-ownership environment there is a potential for difficult inter-worker relations. To offset this at Great Western, profit sharing and gain sharing programs were introduced and efforts to ensure the flow of information between management and employees were undertaken.

While the majority of labour-management co-operative mechanisms tend to be in unionised organisations, this is not always the case. Gennum Corporation, for example, initiated a Skills Development Committee in 1990 to undertake a needs analysis, provide responsive assistance to employees, and administer the Sectoral Skills Training Fund budget (Ekos 1997). This action was undertaken to address the need to focus the training being provided, thus improving the effectiveness of the company's investments in training. Pooled Financial Services at General Electric (GE) Canada is another example (HRDC 1994). In response to the need to develop a more cost-effective means of providing services to the 13 business units being relocated, coupled with the introduction of new technology and the need to reduce costs, full participation of GE's employees was solicited to redesign work operations. The result was a team-oriented work system and a 40 percent reduction in costs. Even at the sectoral level, there can be "jointness" even where there is no union presence in the sector. For example, in the case

of the non-unionised automotive aftermarket, CARS took it upon itself to establish the CARS Institute to represent the interests of workers (HRDC 1996).

Impacts

Many of these experiences have had positive impacts in a number of areas, as we have seen. At the industry level, CSTEC, for example, has had a positive effect on local training and has contributed directly to the creation of firm level joint training committees (Ekos 1996). At the firm level, joint committees appear to be especially effective in solving specific issues such as health and safety. For example, at Manitoba Telephone Systems labour and management formed a joint task force to reduce stress at work. Based on the success of this initiative, additional committees have been formed at Manitoba Telephone to discuss other issues such as scheduling (Verma and Weiler 1994). The success of the Newfoundland and Labrador Hydro experience, in terms of informal agreements being reached on issues such as health and safety and temporary appointments, demonstrates that the continuing dialogue process and flexibility of joint committees can have positive impacts on the working environment and labour-management relations (Ekos 1997). Similarly, as we observed above in the cases of Algoma and GE Pooled Financial Services, firms can benefit from reduced costs as a result of labour-management co-operation. Finally, Betcherman *et al.* (1994) showed that the firms that implemented "high performance" practices, many of which involve labour-management co-operation, perform better than those that do not.

Not all joint labour-management committees have been entirely successful, however. For example, in 1990 Co-Steel Lasco implemented Interaction Management (IM) (Ekos 1997). The purpose of IM was to help organisations develop and maintain dialogue between managers and their employees and to develop a more collaborative work environment in order to enhance performance. However, diffusion of IM across the Co-Steel Lasco plant was uneven and, owing to continued employee mistrust and scepticism, IM failed to gain the support of employees. This led to greater tensions in labour-management relations due to strong suspicions among employees and union officials that IM was being used to subvert collectively bargained disciplinary practices. In 1993, IM was abandoned with the change of management. The importance of having a transparent process in employee involvement mechanisms was also noted in the experience of a furniture manufacturing company that implemented a productivity improvement committee (Bagaoui and Lévesque 1996). In this instance, the lack of a transparent process resulted in failure of the committee.

2.3 The Labour-Management Partnerships Program

The LMPP is funded under the Federal Mediation and Conciliation Services of the Labour Program at HRDC. The LMPP supports joint labour-management initiatives designed to create more co-operative and productive workplaces. It funds projects that demonstrate how labour and management can innovatively co-operate, at the workplace or industry level, in addressing pressing workplace issues. These issues include changes

in work processes, the implementation of flexible work practices, the introduction of employee participation practices, and the adoption of new technologies.

Annual priorities are set that guide the selection of projects each year. Funding priorities for the fiscal year 1996–97 focused on promoting effective labour-management relations at the workplace and industry level with the following four priorities:

- new labour-management strategies to address workplace issues;
- joint labour-management research projects on workplace practices or industrial relations issues;
- alternative approaches to traditional collective bargaining, including new, joint approaches to dispute resolution between bargaining sessions; and
- joint labour-management training on labour relations and work-related issues of common concern at the workplace or industry level.

To receive funding, candidate projects must meet a number of criteria. First, the projects must be in the federal jurisdiction or, at least, be of regional or national significance. Second, they must involve genuine partnership in terms of development and implementation of the initiative. Labour-only or employer-only applications are eligible for funding only if the applicant is prepared, as an integral part of their project, to promote dialogue between business and labour. Third, there must be cost sharing between the parties, in cash or in-kind. Fourth and fifth, the projects must be focused on impacts and there must be concrete plans to widely disseminate the results. Sixth, the projects must be innovative, i.e., make a unique contribution to labour-management relations. They must also be incremental, in the sense of not being part of the regular activities of an organisation. Finally, projects must have a "reasonable" schedule and budget. These criteria figure prominently in this evaluation.

Once the projects are approved by the committee and then the Minister, a contribution agreement is signed between the government and the partners and funds are awarded. Agreements normally cover a maximum two-year period. The maximum amount of LMPP funding available for any one project is $100,000 or 50 percent of the cost of the project. After the projects are initiated, project partners submit periodic progress and financial reports to HRDC, which are reviewed by officials. HRDC officials make sure that projects are proceeding on schedule, that projects are meeting budgets, and that project sponsors widely disseminate results of the projects.

The total annual budget of the LMPP has varied annually since its inception in 1991. The annual budget and expenditures for the LMPP program, broken down by project funds, salaries and operating expenses, are presented in Exhibit 2.2. Project expenditures fall short of the budget as the demand for funds has never exceeded the program's budget. In 1995–96, salaries and operating expenses represented 26 percent of total expenditures, falling to 20 percent in 1996–97. Information on salaries and

operating expenses is not available for previous years, as the program was the responsibility of a different division of HRDC.

Exhibit 2.2
LMPP Budget and Expenditures — 1991-1997 ($'000s)

Year	Project Funds		Salaries		Operating Expenses	
	Budget	Expenditures	Budget	Expenditures	Budget	Expenditures
1991-92	200	198	N/A	N/A	N/A	N/A
1992-93	1,420	1,376	N/A	N/A	N/A	N/A
1993-94	1,370	1,354	N/A	N/A	N/A	N/A
1994-95	2,165	2,066	N/A	N/A	133.0	63.9
1995-96	1,173	1,043	319	302	93.3	57.3
1996-97	1,600	1,307	319	291	75.3	34.5

Source: Administrative data supplied by HRDC

2.4 Profile of Projects

A review of LMPP projects, based on information contained in the program database maintained on the LMPP, revealed that there had been a total of 232 project applications received by July 1997 in the life of the program. Of these 232 applications, a total of 98 were rejected, withdrawn or cancelled. As a result, there had been a total of 134 active or completed projects as of July, 1997.

Of the 98 projects that did not proceed, a total of 41 were withdrawn or cancelled, while 57 proposals were rejected. Of the 41 withdrawn or cancelled projects, an explanation for the cancellation is provided for only five projects. Most of these five projects were cancelled due to the lack of support or participation of one group (industry or employees). Unfortunately, no information has been maintained on the remaining rejected, withdrawn or cancelled projects. As a result, we do not know why projects were rejected.

The 134 active and completed projects include a broad spectrum of initiatives. For the purposes of choosing representative projects for case study research, projects were grouped into four main categories, as follows:

- projects involving conferences and seminars;
- research study projects;
- sectoral or multiple workplace change projects; and
- single workplace change projects.

In addition to these four main categories, a total of 15 projects were identified as being "non-traditional". These included a number of projects undertaken as part of the Social Security Review and a number of projects that involved the funding of assignments.

Assignment projects (five in total) include projects that placed Members of Parliament on short term assignments with trade unions and the assignment of individuals as advisors in residence at universities.

Following are a series of charts providing breakdowns of projects by type, year and by size of LMPP contribution. We start with Exhibit 2.3, which presents a breakdown of projects by type and by year. As demonstrated in the exhibit, the number of projects has fluctuated from year to year, with the greatest number of projects in 1994–95, the year the Social Security Review projects were funded. Following the 1995 Program Review and uncertainty over the future of the program, the number of projects declined to a total of 17 projects in 1996–97. Over the life of the program, well over one-third of the projects funded were conferences and one-fifth were research projects; multiple and single workplace change projects each represented 14 percent of the total number of projects. The proportion that were conferences or research projects peaked at 87 percent in 1995–96 and fell off to 76 percent in 1996–97.

Program staff have indicated that the focus of the program has shifted to single and multiple workplace change projects, and that this will be the main focus of the LMPP in the future. While the funding shift to workplace change projects was not yet evident from Exhibit 2.3, the ratio of conferences and research to workplace projects appears more even among newly approved projects and projects under review. In the fall of 1997, 31 projects were under review or recently approved and, of these projects, 18 represented conference or research projects and 13 were single or multiple workplace projects (not shown). A total of six conference and research projects and one workplace project had received final approval.

Exhibit 2.3
Breakdown of LMPP-funded Projects by Type and by Year

Project Type	1991-1992	1992-1993	1993-1994	1994-1995	1995-1996	1996-1997	Total
Conferences and seminars	6	10	9	10	6	8	49
Research study projects	1	6	4	5	7	5	28
Sectoral workplace change projects	4	6	6	2	1	2	21
Single firm workplace change projects	4	0	11	3	1	2	21
Other (assignments, Social Security Review)	1	1	0	13	0	0	15
Total Number of Projects	**16**	**23**	**30**	**33**	**15**	**17**	**134**
Conference and research projects as a share of all projects	44%	70%	37%	45%	87%	76%	57%

Source: Calculations by Ekos based on administrative data supplied by HRDC.

Exhibit 2.4 presents a breakdown by project type and amount of contribution provided by the LMPP program. This exhibit demonstrates that the size of LMPP contribution varies widely. It also shows that contribution tends to depend on the type of project.

Conference projects tend to have smaller contribution budgets, while research projects and single and multiple workplace change projects tend to receive larger contributions. The size of contribution varies from below $5,000 to a maximum of $100,000 (although one project did receive more than $100,000). Almost 70 percent of projects received funding from LMPP of $20,000 or more.

Exhibit 2.4
Breakdown of Projects by Type and by Amount of LMPP Contribution

Project Type	Less than $10,000	$10,000 to $19,999	$20,000 to $39,999	$40,000 to $79,999	$80,000 or more	Total
Conferences and seminars	20	6	12	8	3	49
Research study projects	0	2	6	9	11	28
Sectoral workplace change projects	1	0	5	5	10	21
Single firm workplace change projects	0	2	3	7	9	21
Other (assignments, Social Security Review)	6	4	4	1	0	15
Total Number of Projects	**27**	**14**	**30**	**30**	**33**	**134**

3.0 Evaluation Issues and Methodology

3.1 Evaluation Objectives and Issues

The two main objectives of the evaluation were to determine where program improvements can be made, and to comply with HRDC accountability requirements as to results. Towards this end, the evaluation was concerned with (1) assessing the extent to which LMPP projects met the program assessment criteria and (2) measuring the outcomes and effectiveness of the projects. In this way, we learned whether or not projects were successfully completed and the extent to which they achieved the LMPP objective of demonstrating how labour and management can co-operate in addressing pressing workplace issues and raising productivity.

In measuring the degree of program success, there were three major evaluation questions to be addressed: rationale, delivery and outcomes. These are discussed in turn.

(a) Rationale

Should the government be involved in enhancing relations between labour and government?

This question relates to whether or not the government should intervene in the process of enhancing labour-management co-operation in the workplace. Related questions are concerned with the need (or not) for a federal presence, whether or not the LMPP is the right response, and whether it overlaps with other federal and provincial programs.

(b) Delivery

Four implementation/delivery issues were examined: appropriateness of the LMPP assessment criteria and whether or not they were met; the impact of LMPP on projects (incrementality); the value and effectiveness of the cost sharing arrangement; and the efficiency of LMPP processes.

Are the assessment criteria appropriate and were they met?

An important aspect of this evaluation was to determine whether or not the assessment criteria were appropriate and to verify if accepted projects did in fact meet the specified assessment criteria. There were two questions related to the second issue. The first was: Is the program accepting projects it should not be accepting? For this, we compared the terms of the application and agreement to program selection criteria as to partnership, innovativeness, incrementality, outcomes and widespread dissemination.

The second related implementation question was: Are projects following through with plans as set out in the application? In particular, the evaluation examined whether or not: results were disseminated broadly and effectively; there was joint labour-management co-operation during the implementation stage of the project; there was equal cost sharing (cash or in-kind); projects in a provincial jurisdiction addressed issues of national or wider regional value; and the project made an incremental, innovative contribution to our knowledge. Whether in fact the project focused on outcomes, as required, was addressed in the impact issue discussed below.

What was the impact of the LMPP contribution on the project itself?

In evaluating selected LMPP projects, we assessed the extent to which partners were the beneficiaries of windfall gains: Would they have proceeded with the project if they had not received LMPP funding? A related question was: How, if at all, would the project have been different without the funding?

This set of questions relates to LMPP's incrementality criterion and, in a sense, to the relevance of the program.

How effective was the cost sharing arrangement?

An important element of the LMPP is that labour and management partners share equally (in cash or in-kind) in the cost of the project beyond what the federal government contributes. As indicated above, we corroborated whether this was in fact borne out. But additionally, the evaluation sought to find out how the parties felt about this arrangement and how the arrangement affected the ability of LMPP officials to promote the program effectively.

How effective and efficient were the LMPP processes?

Applicant projects must meet a number of funding priorities and assessment criteria. This evaluation gauged the adequacy of these requirements and the extent to which, and in what way, they have evolved over time in response to changing needs in the workplace. We also investigated how long it took a project to be accepted and whether or not applicants found the red tape to be excessive and a drawback to the workplace innovation, with a view to determining whether or not the process discourages applications. Finally, we attempted to learn how the processing time could be shortened.

(c) Outcomes

What were the impacts and effects of the project?

This is, arguably, the most important evaluation question. There were four main areas where the impacts of the program were measured: labour-management relations; other workplace outcomes relating to productivity, morale, and quality; the production of useful knowledge; and contribution to government policy.

In addressing these questions, it should be pointed out that it was difficult to disentangle the impacts of the program from external economic factors as well as the characteristics of the site and the innovation. Initiatives fail or succeed for reasons other than the program or specific initiative itself. Ideally, to control for these other factors, the outcomes of funded projects would be compared with that of comparison groups containing similar sites undergoing similar change. However, this was not practical in this evaluation given the small number of observations and the diversity and uniqueness of the funded projects. Similarly, the relatively small sample size and the qualitative nature of the data severely limited our ability to determine the correlates of success and failure in funded projects as to organisation size, industry and region.

Impacts on government policy were difficult to measure because a large number of factors contribute to policy changes. Nevertheless, based on the perceptions of persons questioned in the evaluation, we sought to determine the extent to which LMPP has contributed to a change in legislation. It was also interesting to examine the extent to which the LMPP fits in with other HRDC programs, such as the Sectoral Partnership Initiatives, which fund partnerships between labour and management.

3.2 Methodology

(a) Overview

In order to address the evaluation issues set out in the previous section, the LMPP evaluation drew on three main lines of evidence: a review of documentation and literature; 11 key informant interviews; and case studies of 18 projects that included group discussions and interviews with participants as well as a review of project documentation. These are discussed in turn.

(b) Documents and Literature Review

The program document and literature review served two main purposes. The first set of objectives was preparatory: to set the scene for the project, to provide background for the key informant interviews and the discussion group instruments, and to identify or develop outcome indicators to judge the projects.

The second objective of the review, particularly of program documents, was to classify projects according to type, value and location for purposes of drawing up lists of candidate case studies. Also, to the extent possible, we determined if assessment criteria had been met by the cases sampled. This was conducted in both "ex ante" fashion by comparing the project application to stated criteria, and in "ex post" fashion by comparing the application to the final project report to determine if intentions were carried out.

The following program documents were reviewed:

- program documentation;
- the 1993 contribution audit;
- the descriptions of all projects;
- the project applications;
- the contribution agreements;
- the project reports; and
- project-specific documents that co-sponsors maintained.

With regard to the literature review, research findings on both successful and less successful joint committees and other labour-management co-operation experiences were used for research design and data analysis purposes in this evaluation. The literature review examined contributions from Canada and abroad, and provided useful information on key variables and indicators, the effectiveness of joint collaborations and workplace innovations, explanations for research results, and alternatives to the current program.

(c) Key Informant Interviews

For the key informant interviews, we conducted consultations with 11 persons with a general knowledge of the program and the relevant issues, but not of specific projects. These individuals included senior program staff, staff involved in the project review process, experts in labour-management co-operation, and labour and business representatives. The interviews provided valuable information regarding program level study issues including rationale, delivery, overall impacts, and alternatives. The interview guide is presented in Appendix A.1, and a list of the key informants is provided in Appendix A.2.

All interviews were carried out by experienced consultants and were conducted over the telephone (lasting approximately 45 minutes) with the exception of respondents in the Ottawa area who were interviewed in person (lasting approximately one hour). All interviewees were sent the key informant interview guide by facsimile in advance of their appointment. Most were also sent the notes of the interviews for corroboration. The analysis of interview data was qualitative and helped to guide our reporting.

(d) Mini Case Studies

For this stage of the data collection process, the general approach was first to stratify all projects according to type and select a sample from each type. In total, 18 projects were selected for case study. Then, we interviewed a number of persons associated with each project, together in discussion groups or individually over the telephone, with the number of persons varying with the size and type of project. The respondents' positions — ranging from senior persons to persons "on the ground" — also varied according to the type and size of project.

Each step of the case studies is detailed below.

Sampling of Projects for Case Study

The sampling frame used for the selection of projects for case study research was developed following consultation with program staff. The decisions made with respect to the sampling frame include the following:

- Only completed projects were included in the sampling frame, to ensure that case studies could examine impacts;

- Social Security Review and assignment projects were removed from the sampling frame, given that they are not representative of LMPP projects in general and do not lend themselves to case studies; and

- Where a single organisation received funding for more than one project, only one of its projects was considered for inclusion.

Following these exclusions, only 89 of the 134 projects were eligible for inclusion in the sampling frame. A total of 18 projects were selected for case study research.

As the project analysis in the previous chapter shows, conferences and research projects were more prevalent than workplace change projects. Therefore, it was at first decided to select more projects from the former category. However, program staff indicated that the latter category of projects (sectoral and firm level workplace change projects) are the most important, as these will be the primary future focus of the program. As a result, we decided to choose three research projects, three conferences, six sectoral or multiple workplace change projects, and six firm level workplace change projects. For each group, we also selected three backup projects in case the selected projects did not "come through" for whatever reason.

The selection of projects was done randomly within each category of project, but attention was paid to obtaining some diversity with respect to jurisdiction, region, date, value, and nature of the workplace change and research/conference topic. The projects included in the case study research are in Appendix B.

We had originally intended to include some projects that failed to get LMPP funding. Unfortunately, owing to insufficient information on project contacts in the LMPP files, we were forced to abandon these case studies.

Method of Study

We used both discussion groups and individual interviews to carry out the case studies. For workplace change projects, we asked the primary contact if we could conduct the case study using a discussion group and, if that was refused, on the basis of a series of individual interviews. Our goal had been six cases by the discussion group method, but only four of these contact persons agreed. As for conferences and research studies, it was thought that these would be more amenable to the interview method of case study. Interestingly, two of these case study contacts offered to use a group discussion approach, and these two cases were conducted in this way.

Selecting Participants

For each of the 18 selected LMPP projects, we targeted for participation in the mini case studies an average of five or six persons at all levels of participation in the project. The number and position of the participants varied according to the type of project. For all types of projects, we attempted to interview the sponsors plus others associated with the project. The types of participants targeted for interviews, organised by type of project, were as follows:

- for conferences and seminars, we targeted the organisers, seminar leaders or persons delivering the papers, those attending the seminars or conferences, and those who might benefit from the project such as researchers, policy makers and workers;

- for research projects, we targeted participating research directors and researchers, and those who might benefit from the project such as other researchers, policy makers and workers;

- for the project concerned with designing instructional videos or producing manuals, we targeted those involved in the production including technical and research persons, as well as those who might benefit from the project such as workers and students;

- for projects on alternative labour-management bargaining, work organisation changes, and labour-management training at the workplace level, we targeted to a number of senior and junior workers who were directly or indirectly involved in the demonstration project; and

- for industry level projects, we targeted representatives of relevant employer and employee associations as well as workers and management in at least one workplace within the industry.

Data Collection Instruments

The instruments utilised for case study interviews/discussions are presented in Appendix C. The content of the instruments was based on the evaluation issues as well as what we learned from the literature and document review. For projects where selected participants had agreed to discussion groups, a moderator's guide was used (see Appendix C.1). Groups were conducted for four projects involved in workplace or sector level collaborations as well as two projects involving conferences/seminars, research studies or instructional videos in two-hour discussions. For the remainder of the projects, we utilised an interview guide (see Appendix C.2).[1] These interviews were 30-60 minutes in duration.

Questions varied according to the role of the respondent in the project. Questions addressed to sponsors focused on program level issues around process, cost sharing and rationale, but also addressed impacts. Questions to participants in other positions such as organisers, seminar leaders, those who delivered papers, workers and managers, and potential beneficiaries focused mainly on project impacts at all levels. Those involved in projects that did not get LMPP funding were asked about mainly administrative issues, but also about their interest in labour-management collaboration, the program itself, and whether or not the projects went ahead anyway. All respondents were asked for their views on the role of government in labour-management co-operation activities.

Conducting the Case Studies

For case studies conducted using discussion groups, we visited the location of the project, conducted discussion groups with all relevant parties, and then reviewed relevant information on the project at the site where available. The other cases were conducted using personal telephone interviews.

Some difficulties were experienced in obtaining permission to proceed with the case studies in all candidate projects. Of the 18 projects originally selected for case study, 14 agreed to participate. We did not proceed with the other four original projects because of an inability to reach project contacts or an inability to get an agreement to proceed. These four cases were replaced by back-up projects in the same category that had been selected in the same way and at the same time as the original projects; in one case, a back-up was replaced with a back-up.

(e) Impact Indicators

In order to measure the impacts of the projects, we derived a set of impact indicators based on the questions in the interview and discussion group instruments. The impact indicators used to evaluate the projects were very much dependent on the nature of the project selected for evaluation. Research projects would obviously have a different set

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[1] Note that information covered by questions 3-6 (Background Information on Project) may have already been obtained from LMPP program files. In one or more of the interviews, we only verified this information.

of outcomes than workplace or industry based innovations. Impact measurement was based on the information gathered in the case studies.

Impact indicators organised by type of project included the following:

- Seminars and Conferences:
  - ✓ attendance;
  - ✓ proceedings published;
  - ✓ number of final reports distributed (proceedings);
  - ✓ number of research papers distributed and their quality;
  - ✓ other intangible indicators; and
  - ✓ research and policy impacts.

- Development of Instructional Videos and Other Products:
  - ✓ number of times shown;
  - ✓ quality; and
  - ✓ impact on policy.

- Research Projects:
  - ✓ final report published;
  - ✓ number of reports distributed;
  - ✓ impact on policy; and
  - ✓ impact on other research (spin-offs).

- Collaborative Workplace and Industry Level Innovations:
  - ✓ incidence of grievances and/or strikes;
  - ✓ labour-management information sharing;
  - ✓ establishment of joint labour-management committees;
  - ✓ participation of workers in decision making;
  - ✓ level of trust, harmony, co-operation;
  - ✓ interest in other co-operative efforts;
  - ✓ interest in other workplace innovations;
  - ✓ productivity changes;
  - ✓ production time;
  - ✓ return rates;
  - ✓ changes in level and quality of service;
  - ✓ rejection rates;
  - ✓ changes in employee morale;
  - ✓ downsizing or re-engineering;
  - ✓ knowledge and data development;
  - ✓ information broadly cast; and
  - ✓ breadth of representation and participation.

4.0 Evidence and Findings

In this chapter, we present evidence on the LMPP evaluation issues, gathered from the key informant interviews and mini case studies as described in Chapter 3.0. The case study evidence is based on the results of 18 mini case studies. The discussion is organised around the three major evaluation issues: rationale and relevance, delivery, and impacts and effects.

4.1 Rationale and Relevance Issues

One of the objectives of this evaluation is to assess the rationale for government intervention, particularly that of the federal government, in enhancing relations between management and labour. The opinions of key informants and project respondents (the main funding partners) were solicited on this issue as well as on the relevance of the LMPP in addressing that need and its possible overlaps with other federal and provincial programs. Evidence from the interviews shows that support for a government role and the LMPP in this function is generally strong. It should be noted, however, that most of those contacted for this study were in some way associated with this program and therefore might not be completely objective.

(a) Is There a Role for the Government?

The key informants interviewed generally supported a role for government as a catalyst in the improvement of labour-management relations. Several key informants noted that, in an era of global competitiveness and change, it is important that the government support innovations that lead to more competitive workplaces. As it is generally believed that co-operative workplaces are more productive and competitive and a majority of workplaces have not adopted "co-operative workplace" models, there is a need for the government to take a proactive stance in promoting greater co-operation. Several respondents in fact argued that the role should be augmented. One key informant, however, cautioned that despite apparent market failure, we should be wary of possible "government failure" as well.

Project participants consulted in the mini case studies also favoured government involvement in this area. One sentiment heard was that the creativity of workers must be tapped in today's highly competitive world economy, but that this creativity does not unleash itself naturally in an organised workplace. Structural and attitudinal changes are often required to get the workers involved. In this sense, the LMPP serves an important purpose by promoting efforts to involve labour in the change process, which in many cases needs to occur quickly in the wake of rapid changes in the environment. Small and medium sized businesses, in particular, need outside help to "drive" these changes: these businesses often do not have the in-house expertise, let alone the resources, required to effect change. Also, speed is important because, if the process is too slow, workers lose interest and the partnership may fail. The LMPP has the potential for making things

happen more quickly than they would normally. For one project respondent, government support is especially important in such sectors as construction where there is not ample opportunity to develop stable employer-employee relationships as workers are generally hired on a contractual basis.

Even if a case could be made for government intervention in this area, questions were raised by respondents as to the appetite of business for supporting labour-management partnership activities. Business is traditionally suspicious of both government intervention and employee involvement efforts. Given that annual project funds allotted to LMPP have rarely all been spent in a given year, the issue of the weak demand for something like LMPP was raised, although measuring the true demand for this would be difficult. Alternatively, unused funds could be an indication that business has not been made adequately aware of the program. Improving the promotion of the program and the dissemination of knowledge about the benefits of labour-management partnership may increase business for LMPP.

Many key informants believed a federal program is useful in assisting not just industry partners under federal jurisdiction, but also those in sectors in other jurisdictions. One respondent felt that the transportation sector was a good example of the need for a federal role, as some transportation companies operate in the federal jurisdiction and others in a particular provincial jurisdiction, but many face the same issues and problems. In this instance, LMPP fulfils an important objective to diffuse information on solutions and approaches across jurisdictions. Another respondent put forward both equity and efficiency arguments for a greater federal presence in this respect. A strong federal role will help promote more equity in industrial relations across the country as well as contribute to greater efficiency for transnational corporations needing to deal with common conditions in industrial relations.

The great majority of project participants who were consulted as part of our mini case studies also supported a federal presence in this area. It was noted by many that it is important to have a federal initiative such as this to foster labour involvement and encourage co-operation because, as one participant put it, effective management-labour partnerships and consequent productivity increases encourage companies to remain in Canada, or attract other companies, as opposed to locating in other countries, where labour is considered less expensive and less adversarial. Also, one respondent said that a federal program is important for national unions in any sector wishing to initiate projects at a national level; this would not be possible with a provincial program.

(b) What Role for the Government?

As for what the role should be for the federal government, several key informants noted that it is important for the government to facilitate the development of better labour-management co-operation and to demonstrate, and disseminate information on the positive outcomes of co-operation. A few respondents noted that the LMPP serves as a good means of gathering intelligence about innovative approaches to labour-management and of exploring and finding out what works. Information gathered on "what works best" can then be fed into policy formulation. Another important function

of LMPP is to act as an objective third party, encouraging parties to carry through with co-operative activity.

Two key informants expressed some reservations as to whether or not the LMPP was the appropriate response to the need for a government intervention, even if such intervention could be justified. One respondent felt that LMPP involves insufficient funds spread out over too many projects to effect overall change. One suggestion was to focus on one type of innovation or one area of the economy each year. Another respondent expressed doubt as to whether the impacts of "one-of" LMPP projects could ever be sustained, given that businesses often are looking for "immediate gratification" in solving a particular problem between labour and management and may not be interested in sustaining the relationship over time, which, of course, is LMPP's ultimate purpose.

Some project respondents felt that, in addition to funding partnership projects, the federal government should support the development of innovative models for negotiation and encourage inter-union support. A few respondents agreed with LMPP support of research in this area in order to track and assess changes in unionisation patterns, e.g., the growth of white collar unionisation. Other respondents noted that the role should include clearing house activities, workshops and seminars. One respondent saw a role for the federal government as that of a leader, a catalyst and a facilitator of workplace partnerships. It was felt that the federal government should play a varied and active role; there should not be "too many limits" on the nature of its function.

(c) Overlaps with Other Programs?

Many key informants and case study respondents felt that there is a great deal of complementarity, as opposed to overlap, between the LMPP and other HRDC initiatives. Several respondents felt that LMPP works well in concert with such partnership initiatives as the Sectoral Partnership Initiative (SPI), IAS and Mediation Services, although a few respondents felt there is the potential for overlap in these areas. Many respondents emphasised the importance of co-ordination of and communication between programs and jurisdictions to ensure that overlap is avoided. More recently, LMPP officers have been informing the appropriate provincial mediation service when entering a particular provincial jurisdiction and have been bringing SPI into the project review process. Informal links between LMPP and SPI are being considered.

A few key informants noted that there is a good "fit" between LMPP and federal Mediation Services at HRDC. Mediators in the field can identify situations where LMPP can be of assistance, and others where there is little chance for success or where there is need for some groundwork to improve the labour-management relationship before proceeding with a project. A few other respondents noted that LMPP should be doing more to take advantage of the potential intra-departmental relationships such as that between LMPP and Mediation Services. It was noted that HRDC mediators and officers of other programs could serve to market the LMPP and "reach out" to potential applicants. This is something LMPP officers are doing more of lately.

One key informant felt that the LMPP may overlap with HRDC's Local Labour-Market Partnership Program, which funds local partnership activities, including research and training. This respondent also felt that one weakness of the LMPP is that it is located at headquarters, while the local program has a field team more in touch with local needs. Indeed, another respondent felt LMPP should be "out there" in the field, close to its clients. Mediation officers to some extent serve that need.

Similarly, most key informants felt that there is little overlap between the activities of the LMPP and those of corresponding provincial efforts. Project participants interviewed generally agreed that provincial programs complement LMPP. Some provinces such as Ontario have programs that fund similar projects, but the level of funding is lower than what is offered by LMPP. A respondent from Quebec said that both the federal government and the Société québécoise de développement de la main-d'œuvre (SQDM) fund workplace projects but there is no overlap because the SQDM handles only training issues. But the respondent believed that it would make it easier if there was a "single window" delivery system for all training and other work-related services for businesses and labour organisations.

Some respondents felt that there is likelihood of overlaps between federal and provincial programs, but they suggested that these can be kept to a minimum through inter-governmental consultations and agreements.

4.2 Delivery Issues

Issues relating to program delivery were addressed both in key informant interviews and in case study interviews. Issues addressed were the administrative processes, project funding issues, project selection criteria, and program funding priorities. Following is a summary of the results of information gathered in both key informant and case study interviews with regard to these issues.

(a) Administrative Processes

Issues relating to the administration of the program were discussed both in key informant interviews and in case study interviews. Their opinions are summarised below.

In general, case study respondents were very satisfied with the administrative processes associated with LMPP and the level of professionalism in program delivery. In particular, respondents were satisfied with the selection criteria, application process and administrative requirements. Respondents from five case studies, however, noted that the approval process was overly lengthy, with frustrating delays in funding approval. Respondents in only two case studies felt that the program involved too much bureaucracy and that reporting requirements were burdensome. These respondents felt that an excessive amount of reporting was expected of them given the amount of funding received, although they recognised a need for some accountability reporting in the expenditure of public funds. Finally, respondents from several case studies noted that

they would have liked to have received more funding, although they recognised that federal funds are limited.

Some key informants also criticised the approval/review process as being too lengthy and needing streamlining. Others, however, noted that the former formal review process involving large regular meetings has been streamlined, which reduced the approval time from between seven and eight months to one or two months. Rather than regular review meetings involving several parties, the review process now involves two steps. In the first stage, projects are discussed with an informal network of individuals from relevant areas of HRDC, including policy, health and safety, mediation, SPI, etc., as well as provincial mediation services. In the second stage, the director of the LMPP presents suggestions for projects at a monthly meeting of senior staff, out of which recommendations are made to the minister. One respondent also noted that the review process has been improved as a result of the direct involvement of mediators; it brings HRDC closer to the parties involved and ensures that contact with the organisation is maintained. An indicator of how long the process used to be is that some projects were completed or initiated while the project proposal was still awaiting approval.

One key informant suggested that the review process could be further shortened if LMPP officers were provided with a certain amount of discretion in approving projects and interpreting selection criteria. Still, consistency in interpretation of these criteria is important to ensure credibility and accountability ("checks and balances").

(b) Funding Issues

Key informants were asked to comment on the total level of funding allocated to the LMPP. A number of respondents indicated that the current level of funding is insufficient, and that the current level represents a "drop in the bucket", which is not enough to effect any real change overall. On the other hand, as already discussed, a few respondents noted that the annual project budget of LMPP is often not completely used up and that there is some indication that under the former review process projects continued without LMPP funding. This suggests there may not be sufficient demand for this program, implying funding levels are suitable. It could also mean a low level of LMPP awareness, which is discussed below. Furthermore, the level of funding associated with a similar program in the United States,[2] where labour relations are arguably worse and the population is of course much larger, is about the same as LMPP's.

There was some discussion over whether or not applicants' ability to pay should be taken into consideration in funding decisions. Respondents noted that large firms likely are capable of funding projects on their own but are also more likely to get LMPP funding, whereas small firms, which often need financing to support change, often do not get LMPP funding. On the other hand, it was argued that larger companies are more stable

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[2] Under the U.S. program, only labour-management committees are sponsored and on an ongoing basis.

and thus more likely to carry out a successful project than smaller ones (i.e., they took the position "Why support an activity that has little chance of success?").

Case study respondents reported a range of funding sources. In most cases, the primary business partner provided direct funding, while unions provided in-kind support. While most projects relied on in-kind and direct funding from management and labour partners, some projects received funding from other sources. These alternative funding sources included provincial governments, other federal departments (e.g., Industry Canada), and other national or provincial organisations (e.g., the TVOntario television station). LMPP funding was also often used in firms where an IAS agreement was in place. In many cases, the initial LMPP contribution, although possibly representing a small proportion of the total funds eventually contributed by all sponsors, was the catalyst that served to leverage funds from the other partners. ("seed funding").

The related issues of incrementality, partnership and cost sharing are treated below under selection criteria.

(c) Selection Criteria

As outlined in the program description, there are eight criteria that LMPP officers use to assess candidate projects as to their suitability for LMPP funding. Two kinds of information were gathered to address program delivery issues. First, key informants were asked to comment on the appropriateness of the selection criteria for LMPP projects. To some extent, this may be considered a rationale issue, but also one concerned with program design and delivery. Second, case study respondents were asked about the extent to which projects met the criteria.

1. Appropriateness of Selection Criteria

Opinion was solicited as to the appropriateness of the selection criteria used by LMPP officers to assess candidate projects. The findings are as follows:

Innovativeness. The criterion that requires projects "to be innovative, making a unique contribution to labour relations or labour-management-government relations" received the most comments from respondents. Respondents first noted that "innovativeness" is hard to define in general and to measure in projects. One respondent noted that, in the long history of industrial relations, it is hard to come up with an entirely new way of co-operating; the project may be innovative to the company, but not usually to the general body of knowledge on labour-management co-operation. Thus, it was suggested that "innovative" be defined in terms of approach and concept within a particular sector, not necessarily within the entire economy. Another respondent felt that the LMPP exists to promote evolutionary not revolutionary change in labour-management relationships. As most companies have had co-operative mechanisms in place for some time and are already on the road to greater partnership and harmony, it should be the LMPP's role to facilitate progress along that road.

Jurisdiction. As the program was a federal program, the emphasis on the federal jurisdiction was appropriate. However, one respondent felt that the program should emphasise projects of national and regional significance regardless of jurisdiction. The latter should take precedence over the jurisdiction requirement.

Outcomes. There was general agreement with the requirement that projects be focused on outcomes. However, it was pointed that project partners must quantitatively measure the outputs of the projects to corroborate compliance with this criterion.

Dissemination. Programs cannot be successful in a vacuum. Several of those interviewed for this evaluation agreed that dissemination is an appropriate LMPP criterion, i.e., for a program to be successful, evidence of its success must be made widely known. This would also serve as a way of marketing the program. Thus, respondents concurred that projects seeking LMPP funding must satisfy officers that they will widely disseminate the results of their projects on completion. But as informants pointed out, this can happen only with quantitative measurement of program outcomes, as indicated in the preceding criterion.

Partnership. The partnership criterion requires that a project be jointly developed and implemented by labour and management. Many of those interviewed for this evaluation felt that, as the objective of the program was to improve relations between labour and management, it was entirely appropriate that there be partnership between the parties in the project. By forcing labour and management to work together, the hope was/is that the parties will see the benefits of partnership and sustain it beyond the project.

Cost Sharing. Equal cost sharing between labour and management involved in the project was perceived to be an appropriate criterion for LMPP funding by both key informant interview and case study respondents. Similar to the reasoning behind the partnership criterion, cost sharing was considered to be important in ensuring commitment of the partners. Because they have something at stake in the project, they will take it, together, to fruition. In other words, labour and management will be more inclined to stay with the project until a solution is reached than if they had nothing invested and, therefore, nothing to lose. This reasoning would apply even if one party's share is financially inferior. Not addressed in this evaluation is the extent to which partnership under LMPP is true partnership in the sense of joint consideration of needs, joint goal setting, and a jointly determined approach to attaining those goals.

Incrementality. This criterion specifies that ongoing activities cannot be funded under LMPP. Thus, organisations that had been in the process of introducing a workplace change and would have carried it out regardless, would not likely get LMPP funding for that change. This requirement ensures against windfall gains. All agree that incrementality is an appropriate criterion.

2. Were Selection Criteria Met?

In this section, we use mainly the results of discussions with project participants to measure the extent to which five important LMPP criteria were met: innovativeness, dissemination, partnership, cost sharing and incrementality.

Innovativeness. All respondents who participated in workplace projects believed that their projects were innovative, either by its end or its means. For example, many participants involved in projects where the objective was to establish joint committees or work teams considered the *ends* or product of the activity as innovative because the output replaced a previous local practice (e.g., unilateral decisions). The video training tool on workplace change developed in one of the projects is another example of an innovative product because no other similar Canadian products had been available. For others, projects are innovative by the *means* used to meet the objective of the project. In some cases, participants found that the very act of forming partnerships between labour and management was novel in certain sectors.

According to respondents, some activities, such as conferences and congresses, are not innovative in themselves but they can be useful for disseminating innovative ideas and approaches. In this sense, these activities are not "laboratories" for developing new approaches but rather dissemination mechanisms where participants can learn about innovative workplace partnerships.

Many participants agreed that their project was not absolutely new. The training activities funded by LMPP for a labour sponsored investment fund, for example, did not introduce a new concept; there are other labour sponsored investment funds in Canada and abroad. Like many other participants, however, those from this project said that these concepts are still fairly new in Canada. The same can be said for other projects such as those that aim to implement joint committees and quality control mechanisms in particular areas of the Canadian economy with little prior experience with the innovation in question. Thus, in the St-Augustin project, while International Standards Organisation (ISO) certification was not new, its implementation in a municipal setting was.

Dissemination. Respondents felt that the LMPP should be doing more to follow up and ensure that projects disseminate results. For the most part, LMPP officers relied on the word of project sponsors. There has been some discussion of having project sponsors write up a summary of their respective projects and then disseminating these results to the wider public, or at least having LMPP officers disseminate the summary via the Internet. Dissemination is discussed in more detail below under weaknesses and strengths in the context of outcome measurement and dissemination.

Partnership. In terms of the criterion requiring partnership, a number of respondents noted that projects may be initiated by labour or management only or that one partner may be more interested or able than the other. These respondents noted that the program is flexible and can approve such projects, as long as the party applying indicates they will involve the other party at some stage, either through consultation or simply by having a project that explicitly aims to improve dialogue between labour and management. One

case study respondent also noted that the flexibility in this criterion was critical for their organisation, as they are rarely able to obtain a 50/50 partnership, and they generally have greater labour involvement than management involvement.

The projects reviewed for the evaluation show that actual partnerships can take many forms. Five types of partnerships[3] can be distinguished:

- Both management and union initiated the project and actively participated in the entire process (six projects).

- Management initiated the project and labour got involved in a formal (e.g., steering committee) or informal manner later in the process (two projects).

- Union initiated the project and management got involved in a formal or informal manner later in the process. In the cases reviewed, it was the national union (or its provincial chapter) that started the project and convinced local management representatives to participate in their project (two projects).

- A national union implemented the project without direct management involvement (two projects).

- A non-union, non-management organisation initiated the project, while management and labour were later formally or informally involved (six projects).

Two out of the six projects initiated by organisations that were neither union nor management did have input from management and labour representatives at some point during the life of the project. According to project respondents, getting input from labour and management ensured a higher quality output. In the other three projects (two conferences and a study tour), labour and management were not directly involved in the planning stages of the project, although union and management representatives did actively and jointly participate in two of the projects. In the third project (Service Sector Revolutions Conference), only a small number of management representatives participated.

In two cases (one of which involved many firms), the local union agreed to participate in the project because it involved ISO certification. ISO certification gave the project credibility: the workers associated the certification with high quality work and liked the idea of having a third party involved (ISO certification officials) because this would ensure that management would follow through. Management believed that the union's participation would facilitate ISO implementation and certification because ISO quality control procedures involve active participation on the part of the workers.

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[3] As the case study selection for this evaluation was not totally random, it should not be expected that the number of cases per type reflects the distribution of all projects funded by LMPP since its implementation.

Partnerships did not always run smoothly. In one case (Waterloo), one union pulled out of the project and refused to participate in some of the activities. Although management succeeded in forcing the union to participate (through grievance procedures), labour representatives kept a "distant approach" for the remainder of the project. In three cases, the partnerships were temporarily interrupted during collective agreement negotiations. In one case designed to foster a sectoral response to basic skills training, the partnership was established with only a subset of trade unions and employers in the industry.

One of the projects piloted by the union alone (Communications, Energy and Paperworkers Union of Canada or CEP) did indirectly involve management. Management permitted employees participating in the project to take time off during their working hours for training and seminars. According to the project respondent and the participants interviewed for this evaluation, the output of the project would not have changed if management had been actively involved in the project, but they did agree that the project had little long term impacts on their workplace. In the other project where only the union was directly involved (Quebec Federation of Workers or QFW), it is not clear why the LMPP was involved (since management was not), although the project did alert union members of innovative approaches for labour management relations.

The participants in a couple of the projects identified two conditions for effective partnerships. First, there must be sufficient trust between the parties. Often, it may be insufficient to obtain buy-in and tackle joint projects. Second, consistency in partnerships is important for sustaining the partnerships: changes in management and turnover in union leaders render this difficult.

In most cases, partnerships were thought to be successful in that they contributed to the success of the project. Some participants noted that the partnership ensured a "balanced" output, that is, an output that met both management and labour's interests. However, partnerships took various forms with inequitable involvement from both parties, with the result that some were more successful than others. In some cases, the partnership that was initiated for the project was sustained beyond the horizon of the specific project, likely because it had demonstrated to the parties the benefits of labour and management working together.

Cost sharing. Cost sharing requirements between labour and management are often met in projects in which the employer contributes time and money and the union contributes mainly time (in-kind, which is facilitated by the fact that these hours are often considered as union activity under the collective agreement). Thus, financially, employers contribute more. This prompted one key informant to describe the cost sharing criterion as essentially "smoke and mirrors." This was seen as acceptable, however, since the criterion serves to redress the resource imbalance between labour and management.

Cost sharing was not perceived to be an obstacle to the promotion of the program, although one key informant felt that it presented a problem for not-for-profit, public and some municipal organisations, which do not have the funds required to support an innovation project.

Respondents also indicated that the contribution of management and labour generally greatly exceeded the contribution of the LMPP. At the same time, the relatively small amount that LMPP contributed often served as seed funding, i.e., to leverage funds from other partners.

Incrementality. Most case study respondents indicated that their project would have proceeded without LMPP funding, but at a reduced scale. Respondents from at least five case studies felt that the project would not have been possible without LMPP funding. In several instances, case study respondents noted that LMPP funding was key in garnering support to make their project possible or in ensuring that the project was undertaken in partnership. Respondents from one case study stated that the project would not have included a partnership had LMPP funding not been available; LMPP funding enabled the implementation of joint committees. In another case study, there would not have been training had the LMPP funding not materialised.

Similarly, many key informants also felt that, in the absence of LMPP funding, certain projects would not have been undertaken, would have been undertaken in an altered form or would not have been implemented as quickly. Some respondents observed that often it is the "frills", such as employee involvement, that were dropped from a larger project when LMPP funds were not made available. One interviewee thought that, for purposes of improving labour-management relationships, the amount of LMPP funds, which often represents a small proportion of a much larger project, is sufficient. Finally, it should be noted that the initial funding provided by the LMPP often serves as seed money to attract a much larger pool of funds.

A number of projects have continued or have resulted in spin-off projects. Others have continued at a reduced scale following completion of the LMPP agreement. In other cases, materials developed through the project continue to be used to some extent. In only one case, the project did not result in any follow up whatsoever when some continuation had been expected. Spin-off projects were reported in a few instances. In one instance, the partnership developed through the LMPP project made it possible for the partners to participate in a HRDC sector study, which has in turn led to discussions on the formation of a permanent human resource council in the industry. In another, the concept of partnership introduced in the LMPP project spread to other areas of the respective organisations.

(d) Funding Priorities

LMPP funding priorities were discussed in the key informant interviews only. Interview respondents provided very few comments on the funding priorities or on the extent to which projects met these priorities. One respondent felt that there should be some reflection on whether the program should focus broadly on industrial relations in general, or more narrowly on labour relations, human resource management or organisational change practices, in particular. Furthermore, this respondent stated that LMPP should be supportive of worker-management co-operation projects where there is not necessarily union involvement. As a note of caution, however, the LMPP must be careful not to, or not to be seen to, nurture attempts by management to circumvent or discourage

unionism. Moreover, being located in the larger Mediation Services section of HRDC, which is concerned with unionised settings, makes sponsoring joint initiatives in non-unionised settings difficult.

4.3 Impacts and Effects

Before presenting the findings on this evaluation issue, it is important to define "impacts." The measurement of impacts depends on both the type of project being studied and the level at which the impacts are being measured. LMPP projects that are research studies and conferences aim, as their primary objective, to generate and disseminate outputs such as reports, papers, proceedings and other learning tools. A second-order expected impact is to contribute to the body of knowledge in the area of industrial relations. Ultimately, the goal of the projects, individually and together, is to lay the foundations for enhanced, constructive labour-management relations in Canada.

Similarly, for single- and multi-establishment workplace change projects, impacts may be discerned at three levels. First, there are impacts at the immediate project level, including resolution of the immediate problem at hand (e.g., sexual harassment or the implementation of employee ownership). A second-order expected impact is a higher level of labour-management partnership within the establishment or sector in question. Finally, at the ultimate level, it is intended that the projects, en masse, contribute to improved labour-management relations in the economy at large.

For both major types of projects, then, the highest order impact — enhanced labour-management relations — corresponds to the ultimate objective of LMPP, *per se*. The goals of the two types of projects are similar in another respect: workplace change projects in effect have educational goals, like research projects and conferences. That is, workplace change projects aim to contribute to the body of knowledge on labour-management relations, but do so by demonstrating and diffusing the benefits of partnership through practical example rather than through research or discussion.

It must be emphasised that it is problematic to measure LMPP effectiveness against the program's ultimate objective of laying the foundation for improved relations between labour and management. One reason it is difficult is that it is not known exactly who the potential beneficiaries are or precisely how to measure enhanced labour-management relations. Another reason is that it is difficult to disentangle the impact of the program *per se* from the influence of external economic factors specific to the respective region or industry, as well as from the influence of internal factors such as the characteristics of the specific site and the initiative. Moreover, even if we knew these facts, impacts at the society-wide level are felt only over the long term. For many of the funded projects, the "gestation period" has not been long enough to detect lasting economy-wide effects, which at any rate are cumulative over time and across projects. Finally, we should point out that impact measurement is also inhibited by an inability to attribute effects specifically to the role played by the LMPP, particularly for projects where the LMPP contribution represented a small proportion of the total funds contributed to the project. These and other methodological problems, identified by respondents, are further discussed below.

For reasons given above, our discussion of effects is in two parts. First, we discuss project level impacts, broken down by the two major categories of funded projects: (1) workplace change projects and (2) research studies and conferences. This discussion is based on the mini case studies from the group and one-on-one discussions with participants in the individual projects. The second part presents our discussion of program level impacts, which focuses on possible obstacles to program success and the measurement thereof. This information is based mainly on the key informant interviews, where program-wide effects could be addressed.

(a) Project Level Outputs and Impacts

The discussion of the outcomes of individual projects is based on the results of the mini case studies using the impact indicators listed at the end of the previous chapter. As indicated above, project impacts will be discussed mainly within the immediate context of the project itself because of the difficulty in measuring its wider economy-wide implications and benefits.

1. Workplace Change Projects

We begin with an examination of the outputs and impacts of single- and multi-establishment workplace change projects. In all cases, the project generated the intended outputs as set out in the project documentation. In some cases, these impacts were measured using quantitative instruments developed and used by project sponsors. ISO certification and continuous process improvement were introduced in the cities of St-Augustin and Waterloo, respectively. ISO was also introduced into eight small organisations in co-operation with Centrale des syndicats démocratiques (CSD). Two projects (Save-On Foods and the Christian Labour Association of Canada) involved a conference of labour and management representatives from a company on how to improve relations within the organisation, which resulted in a report distributed throughout the company. In another example (CAE Aviation), the workplace was reorganised, as intended, under the LMPP agreement. Yet another project, the Construction Opportunities Development Council (CODC), involved the development of a joint labour-management council for the Saskatchewan building and construction trades.

In several other workplace change projects, training programs were designed and implemented as the main innovation in itself or along with the workplace production to acquaint workers with the innovation in question. For example, CEP designed a training package to prepare its members for workplace reorganisation; in the case of Crocus Investments, the training was for employee ownership; in the case of the General Presidents' Maintenance Committee (GPMC) it was for Total Quality Management (TQM); in the case of Cominco Trail Operations, impacts included the development of a core training program and design of a gain sharing program that is still ongoing; at CAE there was training provided along with the empowered, cross-functional work teams; the Disabled Forestry Workers Foundation of B.C. developed and implemented a certified

training program to facilitate the implementation of disability management programs in the workplace; and, as part of the development of CODC, a supervisory training program was implemented for construction contractors and union stewards with the goal of responding to owners' needs. Finally, research on basic skills training needs and solutions, which culminated in a training plan, was conducted by the British Columbia Construction Industry Skills Improvement Council. All these could be considered to be the first-order impacts of workplace change projects as discussed above but also demonstrate the need to introduce complementary innovations along with the innovation in question.

Included in the first-order impacts, of course, would be the generation of knowledge on labour and management relations (some more directly than others). In almost all cases, participants who were consulted for this evaluation indicated that the project demonstrated that labour and management can work together in constructive and innovative ways. This is consistent, of course, with the goal of the LMPP. Moreover, in many cases, the concept being introduced was new to those involved, which is consistent with the LMPP innovativeness requirement. At St-Augustin, for example, it was the first time that ISO certification had been introduced into a municipal setting. And in the case of Crocus, the concept of employee ownership was being introduced into a number of organisations not familiar with the concept. The generation of new ideas could be said to be a product of most projects explicitly concerned with developing training frameworks.

In most cases, first-order impacts led to second-order outcomes that were also consistent with the objectives of the LMPP, i.e., an improvement in relations between labour and management within the organisation or organisations concerned. Most participants in projects included in this study were of the opinion that the mere act of bringing labour and management together in partnership to generate the intended output warmed relations between labour and management. In the case of Waterloo, for example, developing and introducing continuous process improvement led to the realisation by labour and management that working together has its rewards, such as increased trust, a productive, teamwork atmosphere, and information sharing. Similarly, in the case of the GPMC TQM project, the act of working together led to dialogue between labour and management and revealed areas of mutual concern. Hosting a joint conference to improve labour-management relations also resulted in improved trust, co-operation and communication in the case of Save-On Foods. This was also the result of a joint research project (the Task Force on Transit Competitiveness). Finally, the development of the CODC was instrumental in changing attitudes towards the merits of non-confrontational labour-management relations. Similarly, the CAE workplace change project led to less adversarial mutual-gains collective bargaining and interest in other joint innovations, as well as more joint decision-making, information sharing and trust.

Another important second-order impact was greater employee involvement and participation. Sometimes, it was the primary innovation being introduced that gave workers a greater say in decision making. This was the case in the Waterloo (continuous process improvement), Crocus (employee ownership), Cominco (employee involvement), CAE (teams and joint council), and GPMC (TQM) projects. Often, however, it was the workplace change introduced with the primary change that increased

employee participation. This happened in the cases of St-Augustin and CSD, where labour-management committees were introduced with a workplace change (ISO certification) that ordinarily would not have led to greater employee involvement. Similarly, in the case of CEP, it was the joint labour-management committees, rather than the primary innovation, the reorganisation training, that led to greater say for employees. Finally, in the case of Save-On Foods, a joint conference led to increased communication at the store level and greater employee participation.

These outputs also led to a number of tangible impacts beyond, or conditioned by, those related specifically to trust and employee participation outcomes. For example, in the Waterloo and St-Augustin projects, the LMPP-funded innovation increased productivity and morale among employees. As well, service delivery to the public was affected in both cases — improving it in the former and reducing the cost of it in the latter. In addition, for Waterloo, the innovation led to efficiency gains without layoffs. Productivity and product quality were also enhanced in most of the organisations involved in the CSD project, as indicated by reductions in production times and scrap and return rates. Beneficial exchanges of information and healthy competition among the partners were also results of this project. In the CEP project, the reorganisation training led to a decline in grievances, at least in the short run. As for Crocus, the employee ownership training increased the financial and social skills of workers and formalised and raised the profile of training. At CAE, the LMPP-funded workplace change led to increased production and morale, as well as flexible working arrangements, fewer injuries and grievances. The Disabled Forestry Workers' Foundation training program led to increases in workers returning to work and decreases in workers on disability and in associated premiums. Finally, CODC activities led to increased productivity, fewer grievances going to arbitration, the creation of "common clauses", and the unionised construction industry being viewed more positively by owners.

There were also a number of unintended impacts, good and bad. Waterloo employees received bonuses as a result of the cost savings derived from continuous process improvement, while St-Augustin received prizes and international attention for its ISO certification initiative. Basic skills upgrading provided by the BC Construction Industry Skills Improvement Council led to increased success in apprentices' certification testing and avoidance of costly efforts to repeat educational requirements. A few projects (Save-On Foods, Waterloo) were perceived to have had positive impacts on collective bargaining, facilitating negotiations and reducing the time required to arrive at an agreement. On the other hand, in the case of Crocus, the employee ownership training, by raising expectations and increasing confidence among employees, led to employee frustration. Similarly, at CAE, the workplace change projects raised expectations among employees and created some tension. In the CEP project, it was observed that employees were "bolder" with respect to demands in the workplace, while managers perceived the impact of employee involvement to be a loss of power on their part, which was what some CAE participants also believed about their project. In the Cominco projects, the effects of some aspects of the project proved transitory and risked building cynicism among employees for future initiatives.

As for impacts on public policy and other long term impacts, these were harder to detect, mainly because they were outside the scope of the immediate project. Possibly, in the interest shown by other municipalities, the changes introduced in Waterloo and St-Augustin might be construed as affecting policy. Similarly, the British Columbia Construction Industry Skills Improvement Council has been approached by other provinces seeking to implement similar basic skills initiatives. Also, it appears that the continuous process improvement, that was introduced in Waterloo, has been sustained now close to two years after its implementation.

2. *Research Studies, Conferences, etc.*

We turn now to the research studies and conferences funded under LMPP. As with workplace change projects, these projects produced and disseminated the outputs consistent with the LMPP agreement they signed. For example, the Canadian Labour Market and Productivity Centre (CLMPC), which represents labour and business interests, produced, in co-operation with TVO, a workplace change video that now has been shown four times on TVO and has been sold to a number of businesses. L'ordre des conseillers en relations industrielles (CRI) put on a congress attracting large numbers of both business and labour representatives and produced several high-quality papers, 5,000 copies of which were distributed. Similarly, the Centre for Research on Work and Society organised a conference on the growth of the service sector. The Conference Board of Canada produced a final report on its study tour of public sector organisations, which was distributed to 400-500 public sector bodies. The QFW came up with a revamped communication strategy, which was reflected in a revised union journal. The Canadian Urban Transit Association and Amalgamated Transit Union Canadian Council (ATU/CUTA) formed a task force to study competitiveness in the transportation sector and produced a document presenting the proceedings of the meeting. All these projects contributed, in varying degrees, to the body of knowledge on labour-management partnership by studying issues affecting the relationship between the two parties, corresponding to the first-order impacts discussed above.

Moreover, these outputs led to further impacts. For example, the CLMPC-TVO project attracted international attention and sensitised Industry Canada to the productivity gains from good industrial relations. As for the CRI congress, the fact that the LMPP contribution enabled organisers to provide free admission (only if both labour and management counterparts attended) changed the image of the organisation and led to greater labour membership in the organisation. The new QFW journal led to a new awareness among union workers of innovative approaches to working and management. The Conference Board public-sector tour led to experimentation and labour-management co-operation in the organisations of individuals participating in the tour. Finally, the ATU/CUTA task force produced tangible results in the transportation sector in the form of joint committees, information sharing, trust, streamlining of collective bargaining, reduced grievances, and continued employee participation after the task force final report. As well, as pointed out above, the act of sitting down together revealed to the parties areas of mutual concern. These impacts correspond to the second-order impacts LMPP projects are intended to generate.

(b) Measuring Program Level Impacts

Measuring the impact of the program on industrial relations in general, the third-order impact, is problematic. This discussion is devoted to observations by key informants on difficulties in measuring such outcomes as well as potential barriers to program success.

The most common observation on the impact of the LMPP was that, aside from the problem of measuring the wider implications of individual projects, project outcomes are poorly measured, so it is difficult to confirm whether the projects are having an impact on the respective workplace let alone industrial relations in general. In most cases, reliable, quantitative indicators of project impacts and effects have not been developed and applied to the projects. To date, most information on impacts has been qualitative and based on subjective feedback. It was suggested that standardised outcome measures be developed to measure project success. This observation and solution are amplified in the concluding chapter.

One respondent noted that there is a great deal of self-selection among project stakeholders. As noted above in the discussion on incrementality, those with the greatest resources, interest in co-operation and therefore chance of success are applying for and securing funding under the program. These organisations may be "pre-inclined" to positive outcomes. This implies that the experiences of these organisations and the role played by LMPP may not capture the real need for co-operative efforts and the potential for public assistance in this regard. Nevertheless, this respondent also noted that these organisations may provide good examples for others to emulate, i.e., if the results were properly and widely disseminated.

Another respondent noted that projects, individually, are too small to effect much change in the economy as a whole, but that, taken together and over an extended period of time, the ultimate impact may be considerable ("from the ground up"). Several respondents noted that the true impacts of the program may be felt and measured only over the long term.

One respondent felt that LMPP projects as a group have had a low success rate, when measured against the ultimate program objective of improving labour-management relations. This respondent suggested a number of possible reasons for the lack of success: the small amount of money provided to each project, which also makes attribution to LMPP difficult (although another respondent thought it was enough and, moreover, the contribution could be regarded as symbolic of federal support for the concept of labour-management "jointness"); the lack of continuity in project participants, particularly CEOs (which makes it difficult to sustain relationships); and a lack of urgency to co-operate now that the economy has improved (management was more interested in co-operating with labour when the economy was in a downturn). Lack of management commitment is also seen in such attitudes as "immediate gratification" and "flavour of the week." Another respondent noted that projects are suspended during periods of collective bargaining and then resumed later. This demonstrates not only the primacy of collective bargaining but also the impact of external economic factors that may affect the perceived impacts of the project (e.g., Cominco), if not the project itself.

The CAE project illustrates the latter: the strong financial position of the company was a contributing factor to the success of the LMPP project.

Key informants mentioned two program level impacts. First, two respondents noted that the LMPP has had an impact on government policy by bringing "jointness" information and issues into the policy debate. Others were uncertain of any policy impacts, or stated that they had not observed any to date. Another noted that the LMPP had not influenced the government as employer, i.e., with regard to its relationship with its own workers. Second, a number of respondents indicated that, in some instances, LMPP projects resulted in additional spin-off projects, some of which may also have been funded by the LMPP.

5.0 Success Factors and Barriers, Strengths and Weaknesses, and Suggestions for the Future

The discussion in this concluding chapter is in three parts. First, we present findings from the case studies as to the factors identified by case study respondents as contributing to and inhibiting the success of individual LMPP projects. Second, we present findings mainly from the key informant interviews as to the key strengths and limitations of the program overall. In doing so, we include commentary and suggestions for program improvement based on the key informant interviews and our own reasoned consideration of the evidence gathered. In the final section, we summarise selected commentary by discussing possible future directions for the program.

5.1 Project Success Factors and Barriers

The mini case studies listed in Appendix B revealed a number of factors that have been instrumental in the success of projects and a few that have inhibited their success. These success factors and barriers might be taken into consideration by those involved in subsequent projects when applying for funding and by funding officers when reviewing projects.

The most basic success factor is that both union and management must genuinely take part in the project for it to be a success. Genuine involvement and buy-in mean not just that labour and management be involved in the initial application but that they also actively participate in the project. The initial success of two projects, at least, was attributed to the buy-in achieved from both unions and management. Similarly, the buy-in from the parties was seen as assets in the CAE project along with the good relations that had already existed between them. On the other hand, as the CEP project demonstrated, the lack of management participation was the main reason that the beneficial impacts of the innovation were not sustained throughout the life of the project (let alone beyond the life of the project). Although there was initial trust and co-operation between labour and management, later it was observed that managers did not follow through with joint labour-management committees and unilateral decisions were made by management as to downsizing. Similarly, in the initial stages of the St-Augustin project, there had been some problems stemming from poor internal communications and the fact that workers were not brought up to speed on developments. Finally, a lack of commitment among some of the sponsoring organisations in the Conference Board project was seen to limit its success.

Another important ingredient to the success of projects was seen to be stability, whether that be in leadership, relations or economic conditions. Each of these is described as follows:

- First, turnover among management and union leaders is a fact of life in the business world. However, it is very difficult to sustain innovations and the positive outcomes thereof in cases where the original applicants and participants have departed. New leaders may not have any "history" or a sense of "ownership" with the original initiative. This was pointed out in the Conference Board study tour, where the chances of reproducing initiatives were reduced by changes in personnel participating in the tour.

- Second, relations between labour and management are in continuous flux and, at any specific point in time, may colour perceived impacts of an earlier innovation, even though the innovation in question had nothing to do with current conditions. Thus, the perceived impacts of a particular LMPP-funded innovation may not be viewed in a positive light when in the midst of contract negotiations particularly when they are difficult. This was the case in the Cominco project, where one of the union partners' already negative view of the project was exacerbated by difficult negotiations with management. The fact that the LMPP project was often set aside during contract negotiations indicates both the transience of industrial relations and the primacy of collective bargaining.

- Third, as was pointed out above, external economic conditions have a big influence on the success of the project: when times are bad, management may be more amenable to co-operating with labour, but when things improve, the interest in co-operation tends to disappear. Similarly, as with the CAE project, the strong financial position of the company is seen as contributing to the project's success. These factors also point to the importance of management commitment.

A third success factor revealed by the case studies was the need for additional innovations to complement the main innovation being funded. As past research has shown, innovations introduced singly have limited effect. Thus, it was quite likely that ISO certification at St-Augustin and TQM implementation by the General Presidents Maintenance Committee would have had limited success if training programs had not been designed and delivered to facilitate implementation. Similarly, joint labour-management committees likely contributed to the positive outcomes realised in the case of the multi-establishment ISO implementation associated with the CSD. Finally, the training introduced with the innovations in many projects facilitated implementation.

Finally, some of the non-workplace projects sponsored by the LMPP demonstrated the importance of quality in achieving success. For example, in the case of the CRI project, the good response to the congress was undoubtedly due, at least in part, to the high-quality papers that were produced. Similarly, in the CLMPC workplace change video project, it is unlikely that it would have received the positive feedback it did receive if it had not produced a high-quality video, which was made possible through partnering with TVO. In fact, this project points out an additional success factor: there may be benefits

in bringing in third-party experts, not linked with labour or management. This was also demonstrated in the case of the Conference Board, which teamed up with another organisation (the National Quality Institute) that provided a venue (a conference) to further disseminate the findings of the project.

5.2 Program Strengths and Weaknesses

Key informant interviewees were asked to identify what they considered to be the key strengths and limitations of the way the LMPP is administered. The following is a summary of their observations.

Among several strengths identified, a number of respondents pointed to the program's flexibility, which enables it to fund a wide variety of projects. However, one of these respondents suggested that the flexibility may also be a weakness at times, as it can contribute to a lack of understanding of the program and what it is really trying to do. One respondent suggested that concentrating annually on a particular type of innovation or in a particular area of the economy may help to strengthen the program's focus.

Other strengths of the program identified by individual respondents included: the program's third-party neutrality, which can help defuse adversarial relationships and encourage parties to persevere; cost sharing between sponsors and government, which gives parties a stake in the process and similarly encourages them to "stick it out"; the fact that the program is client-oriented; and the synergy between LMPP and Mediation Services, which facilitates identification of potentially good candidates for LMPP funding.

The main weaknesses identified in the program relate to communications and marketing. Here there are two inter-related problems: (1) the program's low profile, and (2) insufficient dissemination and communication of project results. Key informants noted that, as the program is not widely known or understood, those who need it most may not be aware of it. One respondent noted that the program is not well known or understood even within HRDC. The other problem relates to insufficient communication and dissemination of project results, which obviously minimises the program's effectiveness.

A number of solutions to the program's low awareness and uptake was suggested by interviewees. One was that improved and wider diffusion of results would show the way to other organisations with similar concerns and would thus expand the program's profile. Another was that much more could be done by HRDC officers in the field (including those with Mediation Services) to make the program's existence known. Another suggestion was to develop a marketing strategy. This would involve a survey of past and potential clients to discover, among other things, if there is a desire for greater co-operation between labour and management; what is required, and what the program could do, to improve labour-management relations; and how the results could be better disseminated.

But, preceding outcome dissemination, there must be outcome measurement. To date, program officers have relied mainly on anecdotal feedback of results from project

sponsors, which is not enough. It was suggested that project partners be asked to quantitatively measure outcomes and relay this information to HRDC. A suggestion to facilitate outcome measurement was for HRDC to draw up a list of standardised outcome indicators that project participants could apply to their projects. Another suggestion was to have sponsors summarise their projects and the outcomes and pass this information on to HRDC, which would then broadcast it, perhaps via the Internet. Not only would better outcome measurement enhance program dissemination, but it would also provide direction for the program.

Like key informants, a number of case study respondents identified poor dissemination of results as a weakness of the program. A respondent from one case study noted that, if there was broader diffusion of project results (both successes and failures) to other organisations (i.e., those not taking part in the LMPP project), these organisations could benefit from the lessons learned. On a related note, respondents from another case study noted that the program could be improved by having LMPP staff provide feedback or assistance to organisations interested in undertaking projects, and in facilitating communication or networks between organisations trying similar approaches so that they may learn from each other.

Two other reasons were provided by interviewees for the program's low profile, although the program was seen to be making some progress in correcting these problems. A few respondents suggested that the approval process had been a real shortcoming (too lengthy, too bureaucratic) and this discouraged uptake. Of late, the review process has been streamlined and improved significantly, as noted above. Another problem was perceived lack of expertise in labour-management relations. Getting meditation officers more directly involved, as the program is now doing, is a step towards increasing the level of expertise among LMPP personnel and thus increasing the program's attractiveness.

Finally, it was noted that the innovativeness criterion, if strictly interpreted, would limit the program's appeal. In the long history of labour-management relations, respondents observed, it is difficult to come up with something new. Instead, it was suggested that innovativeness should be defined in terms of a particular sector of the economy or in terms of facilitating evolutionary as opposed to revolutionary change in relationships.

5.3 Suggestions and Possible Future Directions for the LMPP

In this final section of the report, we offer a series of suggestions and factors for HRDC to consider in thinking about the future direction for the Labour-Management Partnerships Program. The discussion is organised by area of concern.

(a) Rationale

A majority of respondents believed there was a need for a government role in the improvement of relations between labour and management. As the literature review showed, although labour-management partnerships have dividends for both business and labour, a majority of establishments have not adopted a "co-operative workplace" model. Thus, using a "market failure" argument, respondents gave cautious endorsement of government as a catalyst to enhance industrial relations. Moreover, *federal* presence in this area was justified on the basis of both equity and efficiency grounds, the latter particularly for transnational corporations facing different industrial relations environments across the country. By laying the foundation for improved relations between labour and management, the LMPP, as a national program, would serve both to support national unity and to increase national competitiveness and create a hospitable business environment. This evaluation found that the LMPP complemented and did not duplicate what was offered by provincial governments in this area.

(b) Gauging Demand

There was some question concerning the demand for a service such as that provided by the LMPP. An examination of past LMPP budgets and expenditures indicated that annual LMPP project budgets have not always been used up, possibly implying deficient demand for the LMPP and therefore sufficient funding levels. A market study, therefore, is suggested, which would involve a survey of past and potential clients to discover if there is a desire for greater co-operation between labour and management and what would be required to improve labour-management relations. However, market studies would be difficult because it is not clear what would be suitable measures of the demand for the LMPP. For specific projects, an approach may be to complement a market-test funding strategy. Project partners would be required to demonstrate that there is a demand for labour-management co-operation, revealed by the funds already committed to the cause by various partners, before they can get funding from the government.

(c) Raising Awareness

Alternatively, the unused funds cited above could be an indication that business has not been sufficiently made aware of the program. If the LMPP is not used by business and labour interests who require and desire assistance in improving the relationship between them, then unused budget capacity is merely a signal of inadequate marketing rather than deficient demand. The actual level of awareness can be measured using the same survey proposed above. To increase awareness, it is suggested that HRDC, with other officers in the field (including those with Mediation Services), more aggressively use the Internet, to make the program's existence known among current and potential clients, and set up kiosks at job fairs and the like.

(d) Funding Research or Workplace Change?

There was debate over whether the LMPP should be sponsoring both research and conference projects and workplace change projects or just workplace change projects. Until recently, the majority of funded projects involved the production of knowledge through research and discussion. Questions were raised, however, about the true benefit of research and conferences and whether or not public support of such activity could be justified. On the one hand, research projects, conferences, and the like typically require less money from the LMPP and reach wider audiences than workplace change projects. In addition, research may be particularly relevant today in light of the fact that we need to better understand and monitor industrial relations, which currently are in a state of rapid flux. On the other hand, practical illustrations of workplace change, which other organisations can readily emulate, may have greater impacts. Therefore, it was agreed that the LMPP was proceeding in the right direction by shifting its focus from predominantly research/conferences to a more equitable split between such activities and actual workplace change.

(e) Needs-Based Funding?

It was observed that it is typically the larger, wealthier firms that apply for and receive LMPP funding. The likely reason is that such firms tended to be more stable and to participate in projects that have a high probability of successful completion. But the argument was raised that such firms are also most likely to be able to implement change without government assistance ("windfall"), while it is the smaller firms that are most in need of assistance (see discussion below under Incrementality). Small firms lack the resources and expertise to introduce effective change into the workplace but are least likely to receive funding because of perceived high risk of failure. Resorting to an "ability-to-pay" criterion, however, would not be practical, because this would entail LMPP officers having to examine the books of candidate organisations (nor would it likely be permitted). Still, it is recommended that the LMPP officers make more intensive efforts to approve the applications of smaller firms or encourage small firms to form consortia to derive economies of scale. An additional suggestion is for partners to return the money to the federal government following successful completion of the project.

(f) Several Small Projects or A Few Large Ones?

Large projects, if successful and if their positive results can be widely disseminated, would serve as high-profile demonstrations that would likely encourage emulation by other organisations. Despite the LMPP focus on large-scale projects, some believed there was insufficient funds spread out over too many projects to effect real change in the relationship between labour and management. Alternatively, it was suggested that the LMPP fund larger numbers of smaller projects, which would widen the outreach of the program. This could be done by limiting the LMPP contribution to an individual project to a substantially lower level than the current limit of $100,000, with the precise amount dependent on the estimated consultant services required and the number of persons

expected to be reached by the results. While this would widen the outreach, this strategy runs the risk of diluting the focus and sponsoring a lot of project failures. To avoid criticism of a diluted "shotgun" focus, the LMPP officers might consider concentrating efforts on a different type of innovation or in a particular area of the economy each year, although they should also realise that this strategy might reduce uptake of the program.

(g) Review Process

There was general accord that the review process had responded well to earlier complaints about the length of time the LMPP officers took to approve candidate projects and begin funding payments. Not only had the program streamlined the assessment and approval processes, but it had brought in other relevant elements of HRDC and other public (including provincial) officials into the process. The result was a process that reflected different public concerns and reduced waiting time to about two months, which undoubtedly will help in the promotion of the program. In addition, most respondents agreed in general terms with the selection criteria used to assess potential LMPP projects, although there was some debate over individual criteria, as the following attests.

(h) Outcomes

While the evidence gathered indicated that most projects appear to have produced intended outputs, it was strongly believed that more should be done to encourage project participants to measure project outcomes. While LMPP selection criteria require projects to be outcome-based on application, program officers rely on anecdotal feedback from project participants as to the outcomes of the project upon completion. It is recommended that project participants, as a criterion for final payment, be required to provide evidence of the attainment of intended outcomes. This would be facilitated by standardised, quantitative outcome measures and instruments (questionnaires), which LMPP officers should develop and provide to project participants for use in their projects. The development of these tools could make use of some of the instruments developed by project partners themselves and would of course vary by type of project (research versus workplace change).

(i) Measurement Problems

While it is generally believed that individual projects produced their intended outputs and contributed somewhat to the improvement of relations between labour and management, there were methodological problems preventing measurement of the wider implications of the projects and the program — even with the indicators mentioned above. One problem was the difficulty in knowing who are the beneficiaries and what is improved labour-management relations. Aside from that problem is the fact that the impacts of an innovation and, particularly, a research study would take some time to be felt, likely beyond the immediate horizon of the project and this evaluation. Another methodological problem is to measure the particular role played by the LMPP in the outcomes. This is attributed to two factors. One is that the LMPP often has contributed

a small proportion of the total project funds. The other is that there is a certain amount of self-selection bias, in that participants already have an interest in co-operation, and therefore, an inclination to succeed. Also, it would be difficult to disentangle the impact of the program from such external factors as changes in industrial relations, management and union leaders, and economic conditions, all of which can have a great impact on the (perceived) success of a project.

(j) Disseminating Results

It is concluded that more should be done to ensure that outcomes are widely disseminated, which is another LMPP criterion. Currently, LMPP officers rely merely on the word of sponsors as to if, and to what extent, results of their projects have been diffused. The development of outcome indicators, discussed above, would facilitate dissemination by project partners, but it would also facilitate publicity efforts by the LMPP officers. Armed with standardised sets of quantifiable output/impact indicators and the results thereof, LMPP efforts to promote the program would be made easier. We are also suggesting that project participants be asked to synthesise the results of their projects in a one-page précis, which officers could then diffuse along with the indicator results.

(k) Innovativeness

The criterion that requires projects to make a unique contribution to labour-relations or labour-management-government relations received a lot of attention from respondents. Respondents noted that "innovativeness" is hard to define and to measure and that, in the long history of industrial relations, it has been difficult to come up with an entirely new way of co-operating. Granted, an LMPP project may be innovative to the company or to a sector, but it is not usually to the general body of knowledge on labour-management relations. However, a strict interpretation of the innovativeness LMPP criterion could limit the program's appeal. Thus, it was suggested that "innovative" be defined in terms of a new approach or concept within a particular sector, not necessarily within the entire economy. At any rate, the LMPP should be seen as a catalyst for evolutionary change along the road to smoother relations between labour and management, not revolutionary change in the relationship.

(l) Jurisdiction

As the LMPP is a federal program, its focus is on firms and issues under the federal jurisdiction, although it will sponsor projects in other jurisdictions provided they have national or regional significance. It is suggested that the program should place the greatest emphasis on projects of national and regional significance, regardless of jurisdiction. The perceived appeal of the project should take precedence over the jurisdiction.

(m) Partnership

The partnership criterion requires that a project be jointly developed and implemented by labour and management. In most projects studied, both parties were involved, but in some cases one or the other party was more directly and substantially involved than the other. The unanimous opinion of study participants was that this criterion must be maintained by the LMPP. Many of those interviewed for this evaluation felt that partnership between labour and management was not only entirely appropriate, given the objective of the program, but was also instrumental to its success. Encouraging the parties to sit down together may open their eyes to the merits of partnership. Indeed, in some cases, the partnership continued after completion of the project Two important ingredients that the LMPP officers should look for in assessing the potential of a particular partnership are (1) sufficient initial trust between labour and management and, (2) the likelihood that labour and management partners will not leave their respective positions. However, although stability is important, it is difficult to ensure. Finally, the LMPP officers should guard against arrangements where labour and/or management are being brought on as participants only as an afterthought or as a way of getting LMPP funding.

(n) Cost Sharing

Cost sharing between labour and management parties involved in the project was perceived to be an appropriate criterion for LMPP funding, although possibly onerous for non-profit organisations. Similar to the reasoning behind the partnership criterion, cost sharing is important to securing the commitment of the partners. Because they have something mutually at stake in the project, they will take it to fruition. It also serves to redress a basic resource balance between labour and management, by allowing in-kind contributions, which labour mainly relies on. Also, although the share contributed by government is often small relative to other contributions, it often serves as seed funding, that is, as a means of leveraging funds from other quarters. Relevant to this issue and the sequencing of funding is the "market-test" funding strategy discussed above under Gauging Demand.

(o) Incrementality

This criterion specifies that ongoing activities cannot be funded under LMPP. Thus, organisations that had been in the process of introducing a workplace change and would have carried it out regardless of whether or not funding was obtained, should not get LMPP funding. This requirement ensures against windfall gains and all agreed that incrementality is an appropriate criterion, although perhaps difficult to prove. Despite the fact that it is generally the wealthier sponsors that apply for and receive funding under the program, most respondents agreed that the projects would not have involved labour to the extent that they did without the LMPP funding and its insistence on true partnership.

Appendix A: Key Informant Interviews

Appendix A.1: Key Informant Interview Guide Program Staff and Major Stakeholders

Ekos Research Associates has been commissioned by Human Resources Development Canada to evaluate the LMPP. The LMPP supports joint labour-management initiatives designed to create more co-operative and productive workplaces. It funds projects that demonstrate how labour and management can innovatively co-operate, at the workplace or industry level, in addressing pressing workplace issues.

Rationale

1. In your opinion, is there a need for a continued federal role in the demonstration of innovative ways that labour and management can co-operate in the workplace? How so? What should be this role? How well does the LMPP respond to this need?

2. Do the activities of the Labour-Management Partnerships Program supplement or complement the activities of other federal or provincial/territorial departments or NGOs? Are there overlaps?

Impacts and Effects

3. What impacts of the program have been observed to date, if any? What are the anticipated impacts?

   Include impacts on:
   - workers;
   - firms;
   - industries;
   - labour-management relations;
   - labour-management-government relations.

   Have these impacts been measured?

4. Have there been any *unintended* impacts of the program, either positive or negative?

5. Has the LMPP had any impacts on government policy to date? What impacts has it had?

6. Are there any ongoing or spin-off projects resulting from LMPP projects? How are these funded?

7. Overall, what are the strengths and weaknesses of the LMPP?

Delivery

8. LMPP projects must meet the following criteria:

   - be within the federal labour jurisdiction or at least have national or regional relevance;
   - be jointly developed and implemented by labour and management;
   - be cost-shared by labour and management;
   - be outcome-based;
   - broadly disseminate results;
   - be innovative, making a unique contribution to labour relations or labour-management-government relations; and
   - be incremental (demonstration or pilot projects).

   In your opinion, how well do LMPP funded projects meet these criteria?

   - Are LMPP projects truly innovative? Have they made unique contributions to labour-management relations and knowledge generation? How?
   - To what extent is there a joint partnership between labour and management on projects?
   - Has there been broad dissemination of results? Is there any evidence of the quality of the products produced and how results have been used?
   - Are LMPP projects truly demonstration or pilot projects?

   Are these selection criteria appropriate?

9. LMPP projects are selected according to funding priorities, which have varied only slightly from year to year. Current funding priorities of the LMPP are as follows:

   - new labour-management strategies to address workplace issues;
   - joint labour-management research projects on workplace practices or industry relations issues;
   - alternative approaches to traditional collective bargaining, including new, joint approaches to dispute resolution between bargaining sessions; and
   - joint, labour-management training on labour relations and work-related issues of common concern at the workplace or industry level.

   In your opinion, how well do funded projects address these priorities? Are these priorities appropriate?

10. How satisfied are you with the administrative processes and delivery of the Labour-Management Partnership Program?

- application process
- selection criteria
- administrative requirements
- time requirement and delays
- level of funding

11. How can the administrative processes be improved?

12. The LMPP database of projects includes a large number of rejected, withdrawn and cancelled projects. Are you familiar with these types of projects, or any of these projects? If yes, can you explain what these projects include? What are some of the main reasons for rejected, cancelled and withdrawn projects?

Cost sharing and Alternatives

13. To what extent has the cost sharing requirement of the LMPP been effective?

- Are funds generally cost-shared between labour and management?
- Are project costs equally shared between the LMPP and labour/management parties responsible for the project? To what extent is cost sharing based on in-kind and cash contributions?
- Have the cost sharing requirements of the LMPP represented an obstacle to the marketing and take-up of the program?

14. What is the impact of LMPP funding on projects? In general, would projects have occurred without LMPP funding? What form would projects have taken in the absence of LMPP funding? Can you provide me with any examples?

Appendix A.2: List of Key Informants

HRDC, immediately involved in LMPP

1. Guy Lalonde, Director of LMPP
2. Robin Goodrich, past Director of LMPP,

HRDC, senior staff

3. Warren Edmondson, then Director General

HRDC, involved in the project review process

4. Akiva Starkman, Director of Operations, Mediation Services
5. Joyce Nicholls, LMPP officer involved in review
6. Caroline Montsion, Communications

HRDC, regional, dealings with LMPP

7. David Sutherland, IAS, BC

Experts in labour-management co-operation, industrial relations

8. Rick Chaykowski, IRC, Queen's University
9. Michel Grant, UQAM

Labour and business representatives

10. Dick Martin, Canadian Labour Congress
11. George Smith (CBC), Federally Regulated Employers of Transportation and Communication Organisations (FETCO)

Appendix B: Mini Case Studies

Applicant/Partners	Title
Research Projects	
• Canadian Labour Market and Productivity Centre (CLMPC)	Video on Workplace Change
• Conference Board of Canada	Public Sector Study Tour
• Canadian Urban Transit Association (CUTA) • Amalgamated Transit Union (ATU) Canadian Council	Task Force on Transit Competitiveness
Conferences/Seminars	
• Centre for Research on Work and Society, York University	Conference: "The Service Sector Revolutions" (Work Reorganisation and Innovations in Worker Representation in the Canadian Service Sector)
• Ordre professionnel des conseillers en relations industrielles du Québec (CRI)	Relations du travail: nouvelles pratiques. Les contrats sociaux (Congrès annuel 1993)
• Fédération des travailleurs et travailleuses du Québec	Analyse de l'environnement public
Multi-Establishment Workplace Change	
• General Presidents' Maintenance Committee (GPMC) • Catalytic Maintenance Inc. and other companies • Various unions	Total Quality Management (TQM) Project Training
• Centrale des syndicats démocratiques (CSD) • Eight other organisations	L'implantation de standards de qualité selon la norme ISO (International Standards Organisation)
• Communications, Energy and Paperworkers (CEP) Union of Canada	Workplace Reorganisation in the Telecommunications Industry
• Disabled Forestry Workers Foundation of B.C. • North Island College	Disability Management Co-ordinator Training Program
• British Columbia Construction Industry Skills Improvement Council • Construction Labour Relations Association (CLR), British Columbia • British Columbia-Yukon Building and Construction Trades Council (BCYT)	SkillPlan (basic skills training)
• Saskatchewan Provincial Building and Construction Trades Council • Construction Labour Relations Association of Saskatchewan Inc. (CLR)	Construction Opportunities Development Council (CODC)
Single Establishment Workplace Change	
• City of Waterloo • Waterloo Professional Fire Fighters Association • City of Waterloo Staff Association	Partnership and Performance
• Cominco Ltd. Trail Operations • United Steel Workers of America, Local 480 • United Steel Workers of America, Local 9705	Employee Involvement
• CAE Aviation Ltd.	Achieving the Competitive Edge
• Crocus Investment • Manitoba Federation of Labour	Innovative Applications of New Employee Ownership
• Ville de St-Augustin de Desmaures • Syndicat des employés municipaux de St-Augustin de Desmaures	Mise en place d'une structure de partenariat patronal-syndical au niveau des différents paliers de l'administration municipale
• Christian Labour Association of Canada • Save-On Foods	Labour-Management Relations in a Grocery Store Chain

Appendix C: Case Study Instruments

Appendix C.1: Discussion Group Guide
Project Participants

Ekos Research Associates has been commissioned by Human Resources Development Canada to evaluate the LMPP. The LMPP supports joint labour-management initiatives designed to create more co-operative and productive workplaces. It funds projects that demonstrate how labour and management can innovatively co-operate, at the workplace or industry level, in addressing pressing workplace issues.

Introduction

- purpose of the research
- format of the discussion
- role of moderator
- audio-taping, confidentiality
- introduction of participants: first name, position, role in the project

Project Rationale, Partnership, and Participation

1. What factors led to this project? What is the main reason it was undertaken?

2. Were both labour and management involved from the beginning to the end of the project? How?
    - Who initiated the project?
    - How and at what point was the partnership formed?
    - How successful was the partnership?

3. What has been the level or nature of participation in the project?
    - Number and type of participants (e.g., firms, workers)?
    - Were initial targets met?

Project and Program Delivery

4. How was the project funded? Who were the other funding partners involved in this project? Were their contributions in cash or in-kind?

5. Would this project have occurred without LMPP funding? What form would the project have taken in the absence of LMPP funding?
    - Did this or will this project continue when LMPP funding ends?
    - Was this project supposed to be ongoing?
    - Were there any spin-off projects?

6. How effective was the cost sharing arrangement (between labour and management)?

   - Was the cost sharing arrangement reasonable for all parties?
   - Does the cost sharing arrangement affect LMPP's ability to promote its program?

7. How satisfied are you with the administrative processes and delivery of the Labour-Management Partnerships Program?

   - application process
   - selection criteria
   - administrative requirements
   - time requirement and delays
   - level of funding

8. How can the administrative processes be improved?

Impacts and Effects

9. What impacts have been observed to date, if any? What are the anticipated impacts?

   Impacts on labour-management relations?

   - grievance procedure, grievances
   - joint committees, teams, information sharing
   - collective bargaining
   - employee participation in decision making
   - qualitative impacts: harmony, trust, co-operation

   Other impacts and effects of the project? Including:

   - labour productivity
   - employee morale
   - absenteeism
   - injury rates
   - implementation of new technologies
   - interest in other joint innovations
   - body of knowledge

   Have these impacts been measured, if at all?

   Do any of these impacts have the potential to be sustaining?

10. Were there any unintended impacts of the project, either positive or negative?

11. Do you think the project has had or will have an impact on government policy? How?

12. How has the project been generally successful in demonstrating how labour and management can innovatively co-operate in the workplace?

To what degree was this project innovative?

- Has your project addressed new issues?
- Has your project contributed to developing innovative approaches that can be replicated elsewhere?

13. How has the information produced by the project been disseminated? To whom? Is there any evidence as to how the information has been used?

14. Has your project met its objectives? On what do you base your opinion? Where has it not?

15. Overall, what were the strengths and weaknesses of the project?

16. What other collaborative projects have you been involved in and what were their results?

Appendix C.2: Interview Guide
Project Participants

Program Relevance

1. In your opinion, is there a need for a continued federal role in the demonstration of innovative ways that labour and management can co-operate in the workplace? How so? What should be this role?

2. Do the activities of the Labour-Management Partnerships Program supplement or complement the activities of other federal or provincial/territorial departments or NGOs? Is there any overlap?

Background Information on Project

3. Our files indicate that you participated in (PROJECT NAME) in (YEAR). Please describe this project, providing the following details:

   - type of organisation, union status
   - jurisdiction of industry sector in which project took place (federal or provincial)
   - objectives
   - activities
   - reports, manuals, products produced
   - duration of project
   - etc.

4. What has been the level or nature of participation in the project?

   - Conferences: Number and profile of persons delivering papers and attending
   - Research studies: Number of researchers
   - Other projects: Number and type of participants (e.g., firms, workers)

5. What is the main reason the project was undertaken? What factors or events led to this project?

6. Has this project been completed?

Partnership

7. Were both labour and management involved from the beginning to the end of the project? How?
   - Who initiated the project?
   - How and at what point was the partnership formed?
   - Was a joint steering committee established?
   - How successful was the partnership?
8. Were there other partners?

Project and Program Delivery

9. Who were the other funding partners involved in this project? Were their contributions in cash or in-kind? What was the percentage of the LMPP funding on the overall budget?

10. Would this project have occurred without LMPP funding? What form would the project have taken in the absence of LMPP funding?
    - Did this or will this project continue when LMPP funding ends?
    - Was this project supposed to be ongoing?
    - Were there any spin-off projects?

11. How effective was the cost sharing arrangement (between labour and management)?
    - Was the cost sharing arrangement reasonable for all parties?
    - Does the cost sharing arrangement affect LMPP's ability to promote its program?

12. How satisfied are you with the administrative processes and delivery of the Labour-Management Partnerships Program?
    - application process
    - selection criteria
    - administrative requirements
    - time requirement and delays
    - level of funding

13. How can the administrative processes be improved?

Impacts and Effects

14. What impacts have been observed to date, if any? What are the anticipated impacts?

Workplace and Industry Level Projects:

Impacts on labour-management relations?

- grievance procedure, grievances
- information sharing, teams, joint committees
- collective bargaining
- employee participation in decision making
- qualitative impacts: harmony, trust, co-operation

Other impacts and effects of the project? Including:

- labour productivity
- employee morale
- absenteeism
- injury rates
- implementation of new technologies
- organisational change
- interest in other joint innovations
- body of knowledge

Research Studies, Videos, and Conferences:

Perceived direct results and impacts:

- on the body of knowledge
- number and quality of reports/papers/videos/manuals produced and distributed
- number of contacts made (conferences)
- number of schools, students, workplaces, workers, practitioners reached (videos, manuals)
- further research or conferences

Perceived indirect impacts on:

- firm(s) and workers
- the industry
- labour-management relations

All Projects:

Have these impacts been measured? How?

Do any of these impacts have the potential to be sustaining?

15. Were there any unintended impacts of the project, either positive or negative?

16. Do you believe the project had any impacts on government policy? What were they?

17. Has the project demonstrated that labour and management can co-operate in innovative ways in the workplace?

18. To what degree was this project innovative or did it examine innovative approaches to and issues around labour-management co-operation?

    - Has your project addressed new issues?
    - Has your project contributed to developing innovative approaches that can be replicated elsewhere?

19. How has the information produced by the project been disseminated? To whom? Is there any evidence as to how the information has been used?

20. Has your project met its objectives? On what do you base your opinion?

21. Overall, what were the strengths and weaknesses of the project?

22. What other collaborative projects have you been involved in and what were their results?

THANK YOU FOR YOUR PARTICIPATION

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